



DEPARTMENT OF VETERANS AFFAIRS
National Acquisition Center
PO Box 76
Hines IL 60141

cc: Blake
Felton

December 31, 2003

In Reply Refer To: 1/4

Mr. Paul Julian
McKesson Corporation
One Postal Street, 29th Floor
San Francisco, CA 94104

Dear Mr. Julian:

Congratulations.

Your alternate "Proposal One- All Regions", submitted in response to the Department of Veterans Affairs, National Acquisition Center's (VANAC) Solicitation 797-PV-03-002, with its amendments 1 through 9; which requires you to maintain an adequate supply of and distribute all drug/pharmaceutical items along with select product categories of medical surgical items, is accepted for all 14 proposal line items. Your proposal to provide Closed Loop Distribution units for all participating CMOP facilities at no additional cost to the Government is also hereby accepted and is incorporated in this contract.

As shown on the enclosed Standard Form 1449 "Solicitation/Contract/Order for Commercial Items", Contract Number V797P-1020 has been assigned to this award which will cover all participating VA and OGA customers, for the base period of April 1, 2004 through March 31, 2006, with 3 two year Government renewal options. All correspondence and reports regarding this award must reference contract number V797P-1020.

This contract provides for a 90-day implementation period beginning January 2, 2004, with actual contract performance of April 1, 2004. The implementation period allows you to obtain product usage data and product pricing from Pharmacy Benefits Management (PBM) group and our OGA customers, ensure that purchase agreements are in place with all Government sources of supplies identified in Attachments B through F of your contract, bring the required products into stock, the downloading of Government product prices to the PPV ordering system, bar code participating customers facility's shelves, provide each customer with the required ordering equipment and software, necessary training, and with the performance of other requirements covered by your contract that will provide customers with a smooth conversion/transition period.

McKesson Corporation
Contract # V797P-1020
Page 2 of 2

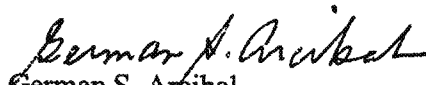
Product pricing and product contract information is available for downloading from the following PBM website www.vapbm.org. Price loading and price administration shall be accomplished in accordance with the terms and conditions of the contract. VANAC shall authorize all product price changes on this contract and only VANAC has the authority to instruct you of a change in price to our customers.

This award is subject to the provision of Public Law 95-507, and your company wide commercial products plan previously approved by DOD is incorporated into, and made a part of this contract. Although your commercial product plan is current at the time of this award, your plan will expire on March 31, 2004. McKesson Corporation must provide this office a copy of its new approved commercial products plan no later than 30 days prior to the contracts actual performance start date of April 1, 2004. Please report on the enclosed Standard Form 295 your subcontracting plan accomplishments for this contract to reach our office no later than October 25th of each year the contract is in effect.

You are required under this contract to fully comply without exceptions with all the requirements described in the solicitation.

We look forward to our new and growing partnership on this contract, and we will be in close communication with you to answer questions and provide assistance.

Sincerely,


German S. Arcibal
Contracting Officer
Prime Vendor Dist. Team
708-786-7663

Attachments: SF1449
SF 295

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS					1. REQUISITION NUMBER		PAGE 1 OF 148		
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30									
2. CONTRACT NO. V797P-1020		3. AWARD/EFFECTIVE DATE 12/31/03		4. ORDER NUMBER		5. SOLICITATION NUMBER 797-PV-03-002		6. SOLICITATION ISSUE DATE June 20, 2003	
7. FOR SOLICITATION INFORMATION CALL:		a. NAME GERMAN ARCIBAL & JUNE M. FITCH				b. TELEPHONE NUMBER (No collect calls) 708-786-7663 & 708-786-5174		8. OFFER DUE DATE/LOCAL TIME July 31, 2003 4:30pm	
9. ISSUED BY:		CODE		797		10. THIS ACQUISITION IS X UNRESTRICTED X SET ASIDE: % FOR X SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> 8(A) NAICS: 424210 SIZE STANDARD: 500		11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE	
DEPARTMENT OF VETERANS AFFAIRS NATIONAL ACQUISITION CENTER BUILDING 37 1 ST AVENUE, 1 BLOCK N OF 22 ND STREET P.O. BOX 76 Hines IL 60141								12. DISCOUNT TERMS	
15. DELIVER TO		CODE				16. ADMINISTERED BY		CODE	
FACILITIES LISTED IN ATTACHMENT A						DEPARTMENT OF VETERANS AFFAIRS NATIONAL ACQUISITION CENTER BUILDING 37 1 ST AVENUE, 1 BLOCK N OF 22 ND STREET P.O. BOX 76, Hines IL 60141			
17a. CONTRACTOR/OFFEROR		CODE		FACILITY CODE		18a. PAYMENT WILL BE MADE BY		CODE	
McKesson Corporation One Post Street, 29 th Floor San Francisco, CA 94104 TELEPHONE NO. 415.983.8300 DUNS # 362221160						FACILITIES LISTED IN ATTACHMENT A SEE Part II, "Payments" on pages 92 and "Prompt Payment" on pages 100)			
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER						18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM			
19. ITEM NO.		20. SCHEDULE OF SUPPLIES/SERVICES		21. QUANTITY		22. UNIT		23. UNIT PRICE	
		Refer to Fee Schedule (Pages 75 through 89)						\$	
		(Use Reverse and/or Attach Additional Sheets as Necessary)						\$	
25. ACCOUNTING AND APPROPRIATION DATA To be shown on individual delivery orders issued against this contract						26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$2,878,042,943			
27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA						X ARE <input type="checkbox"/> ARE NOT ATTACHED			
27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED. ADDENDA						X ARE <input type="checkbox"/> ARE NOT ATTACHED			
<input checked="" type="checkbox"/> 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 4 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.						<input checked="" type="checkbox"/> 29. AWARD OF CONTRACT: REF. OFFER DATED ____ YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS: REFER TO ATTACHED SUMMARY OF AWARD			
30a. SIGNATURE OF OFFEROR/CONTRACTOR						31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)			
30b. NAME AND TITLE OF SIGNER (Type or print) Paul Julian Senior Vice President, McKesson Corporation President, McKesson Supply Solutions						31b. NAME OF CONTRACTING OFFICER (Type or print) German S. Arcibal			
30c. DATE SIGNED 8/6/2003						31c. DATE SIGNED 12/31/03			

**Summary of Award Document
Addenda to SF- 1449**

Page 2 of 3

Contractor: McKesson Corporation
One Postal Street, 29th Floor
San Francisco, CA 94104

Contract Number: V797P-1020

Date of Award: December 31, 2003

Implementation Period: January 2, 2004 thru March 31, 2004.

Contract Period: April 1, 2004 through March 31, 2006, with 3 two-year options.

**Estimated Annual
Value of Award:** \$2,878,042,943

Award Includes:

- Alternate proposal "Proposal One-All Regions" (Includes all previous Set-Aside Regions that were withdrawn via Amendments 7, 8, and 9.)
- Closed Loop Distribution units provided at no additional cost to the Government for all participating CMOP facilities.
- FAR 52.212-3- Offeror Representations and Certifications- Commercial Items and Addenda
- FAR 52.212-4- Contract Terms and Conditions- Commercial Items and Addenda
- FAR 52.212-5- Contract Terms and conditions Required to Implement Statutes or Executive Orders- Commercial Items.
- Standard Form 1449 and Summary of Award
- McKesson Corporation alternate proposal "Proposal One- All Regions" (Includes all previous Set-Aside Regions that were withdrawn under Amendments 7, 8 and 9).
- Announcements and Amendments 1 through 9 which were released to the public via Federal Business Opportunities (Fed Biz Opps) website.

Summary of Award
Addenda to SF- 1449
Page 3 of 3

- McKesson's letter dated October 13, 2003, which clarifies their language of "Proposal One", in regards to the set-aside regions.
- Small Business/Small Disadvantaged Business Company Wide Subcontracting Plan approved for the period of April 1, 2003 through March 31, 2004.
- Negative Distribution fees for all 14 proposal line items, for all customers:

	NET 15	FAST PAY
BASE PERIOD	-4.75%	-5.00%
OPTION PERIOD 1	-4.80%	-5.05%
OPTION PERIOD 2	-4.85%	-5.10%
OPTION PERIOD 3	-4.90%	-5.15%

----- END -----

SUMMARY SUBCONTRACT REPORT

(See instructions on reverse)

OMB No.: 9000-0007
Expires: 09/30/2003

Public reporting burden for this collection of information is estimated to average 15.9 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVP), Acquisition Policy Division, GSA, Washington, DC 20405.

1. CORPORATION, COMPANY OR SUBDIVISION COVERED			3. DATE SUBMITTED	
a. COMPANY NAME				
b. STREET ADDRESS			4. REPORTING PERIOD:	
c. CITY			<input type="checkbox"/> OCT 1 - MAR 31	<input type="checkbox"/> OCT 1 - SEPT 30
d. STATE			YEAR	
e. ZIP CODE				
2. CONTRACTOR IDENTIFICATION NUMBER			5. TYPE OF REPORT	
			<input type="checkbox"/> REGULAR <input type="checkbox"/> FINAL <input type="checkbox"/> REVISED	
6. ADMINISTERING ACTIVITY (Please check applicable box)				
ARMY		DEFENSE CONTRACT MANAGEMENT AGENCY		DOE
NAVY		NASA		OTHER FEDERAL AGENCY (Specify)
AIR FORCE		GSA		
7. REPORT SUBMITTED AS (Check one)			8. TYPE OF PLAN	
PRIME CONTRACTOR			INDIVIDUAL	
SUBCONTRACTOR			COMMERCIAL PRODUCTS	
BOTH			IF PLAN IS A COMMERCIAL PLAN, SPECIFY THE PERCENTAGE OF THE DOLLARS ON THIS REPORT ATTRIBUTABLE TO THIS AGENCY.	
9. CONTRACTOR'S MAJOR PRODUCTS OR SERVICE LINES				
a		b		

CUMULATIVE FISCAL YEAR SUBCONTRACT AWARDS

(Report cumulative figures for reporting period in Block 4)

TYPE	WHOLE DOLLARS	PERCENT (To nearest tenth of a %)
10a. SMALL BUSINESS CONCERNS (Include SDB, WOSB, HBCU/MI, HUBZone SB, and VOSB (including Service-Disabled VOSB)) (Dollar Amount and Percent of 10c.)		
10b. LARGE BUSINESS CONCERNS (Dollar Amount and Percent of 10c.)		
10c. TOTAL (Sum of 10a and 10b.)		100.0%
11. SMALL DISADVANTAGED BUSINESS (SDB) CONCERNS (Include HBCU/MI) (Dollar Amount and Percent of 10c.)		
12. WOMEN-OWNED SMALL BUSINESS (WOSB) CONCERNS (Dollar Amount and Percent of 10c.)		
13. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) AND MINORITY INSTITUTIONS (MI) (If applicable) (Dollar Amount and Percent of 10c.)		
14. HUBZONE SMALL BUSINESS (HUBZone SB) CONCERNS (Dollar Amount and Percent of 10c.)		
15. VETERAN-OWNED SMALL BUSINESS (VOSB) CONCERNS (Including Service-Disabled VOSB Concerns) (Dollar Amount and Percent of 10c.)		
16. SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS (Dollar Amount and Percent of 10c.)		
17. REMARKS		

18. CONTRACTOR'S OFFICIAL WHO ADMINISTERS SUBCONTRACTING PROGRAM			
a. NAME	b. TITLE	c. TELEPHONE NUMBER	
		AREA CODE	NUMBER
19. CHIEF EXECUTIVE OFFICER			
a. NAME	c. SIGNATURE		
b. TITLE	d. DATE		

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Previous edition is not usable

STANDARD FORM 295 (REV. 10-2001)
Prescribed by GSA • FAR (48 CFR) 53.219(b)

GENERAL INSTRUCTIONS

1. This report is not required from small businesses.
2. This form collects subcontract award data from prime contractors/subcontractors that: (a) hold one or more contracts over \$500,000 (over \$1,000,000 for construction of a public facility); and (b) are required to report subcontracts awarded to Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), Veteran-Owned Small Business (VOSB), Service-Disabled Veteran-Owned Small Business, and HUBZone Small Business (HUBZone SB) concerns under a subcontracting plan. For the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, this form also collects subcontract award data for Historically Black Colleges and Universities (HBCUs) and Minority Institutions (MIs).
3. This report must be submitted semi-annually (for the six months ended March 31st and the twelve months ended September 30th) for contracts with the Department of Defense (DOD) and annually (for the twelve months ended September 30th) for contracts with civilian agencies, except for contracts covered by an approved Commercial Plan (see special instructions in right-hand column). Reports are due 30 days after the close of each reporting period.
4. This report may be submitted on a corporate, company, or subdivision (e.g., plant or division operating on a separate profit center) basis, unless otherwise directed by the agency awarding the contract.
5. If a prime contractor/subcontractor is performing work for more than one Federal agency, a separate report shall be submitted to each agency covering only that agency's contracts, provided at least one of that agency's contracts is over \$500,000 (over \$1,000,000 for construction of a public facility) and contains a subcontracting plan. (Note that DOD is considered to be a single agency; see next instruction.)
6. For DOD, a consolidated report should be submitted for all contracts awarded by military departments/agencies and/or subcontracts awarded by DOD prime contractors. However, DOD contractors involved in construction and related maintenance and repair must submit a separate report for each DOD component.
7. Only subcontracts involving performance in the U.S. or its outlying areas should be included in this report.
8. Purchases from a corporation, company, or subdivision that is an affiliate of the prime/subcontractor are not included in this report.
9. Subcontract award data reported on this form by prime contractors/subcontractors shall be limited to awards made to their immediate subcontractors. Credit cannot be taken for awards made to lower tier subcontractors.
10. See special instructions in right-hand column for Commercial Plans.

SPECIFIC INSTRUCTIONS

BLOCK 2: For the Contractor Identification Number, enter the nine-digit Data Universal Numbering System (DUNS) number that identifies the specific contractor establishment. If there is no DUNS number available that identifies the exact name and address entered in Block 1, contact Dun and Bradstreet Information Services at 1-800-333-0505 to get one free of charge over the telephone. Be prepared to provide the following information: (1) Company name; (2) Company address; (3) Company telephone number; (4) Line of business; (5) Chief executive officer/key manager; (6) Date the company was started; (7) Number of people employed by the company; and (8) Company affiliation.

BLOCK 4: Check only one. Note that March 31 represents the six months from October 1st and that September 30th represents the twelve months from October 1st. Enter the year of the reporting period.

BLOCK 5: Check whether this report is a "Regular," "Final," and/or "Revised" report. A "Final" report should be checked only if the contractor has completed all the contracts containing subcontracting plans awarded by the agency to which it is reporting. A "Revised" report is a change to a report previously submitted for the same period.

BLOCK 6: Identify the department or agency administering the majority of subcontracting plans.

BLOCK 7: This report encompasses all contracts with the Federal Government for the agency to which it is submitted, including subcontracts received from other large businesses that have contracts with the same agency. Indicate in this block whether the contractor is a prime contractor, subcontractor, or both (check only one).

BLOCK 8: Check only one. Check "Commercial Plan" only if this report is under an approved Commercial Plan. For a Commercial Plan, the contractor must specify the percentage of dollars in Blocks 10a through 15b attributable to the agency to which this report is being submitted.

BLOCK 9: Identify the major product or service lines of the reporting organization.

BLOCKS 10a through 16: These entries must include all subcontract awards resulting from contracts or subcontracts, regardless of dollar amount, received from the agency to which this report is submitted. If reporting as a subcontractor, report all subcontracts awarded under prime contracts. Amounts must include both direct awards and an appropriate prorated portion of indirect awards. (The indirect portion is based on the percentage of work being performed

for the organization to which thereport is being submitted in relation to other work being performed by the prime contractor/subcontractor.) Do not include awards made in support of commercial business unless "Commercial" is checked in Block 8 (see Special Instructions for Commercial Plans in right hand column). Report only those dollars subcontracted this fiscal year for the period indicated in Block 4.

BLOCK 10a: Report all subcontracts awarded to SBs including subcontracts to SDBs, WOSBs, VOSBs, Service-Disabled VOSBs, and HUBZone SBs. For DOD, NASA, and Coast Guard contracts, include subcontracting awards to HBCUs and MIs.

BLOCK 10b: Report all subcontracts awarded to large businesses (LBs).

BLOCK 10c: Report on this line the grand total of all subcontracts (the sum of lines 10a and 10b).

BLOCKS 11 through 16: Each of these items is a subcategory of Block 10a. Note that in some cases the same dollars may be reported in more than one block (e.g., SDBs owned by women); likewise subcontracts to HBCUs or MIs should be reported on both Block 11 and 13.

BLOCK 11: Report all subcontracts awarded to SDBs (including women-owned, veteran-owned, service-disabled VOSBs, and HUBZone SB SDBs). For DOD, NASA, and Coast Guard contracts, include subcontract awards to HBCUs and MIs.

BLOCK 12: Report all subcontracts awarded to WOSB firms (including SDBs, VOSBs, service-disabled VOSBs, and HUBZone SBs owned by women).

BLOCK 13: (For contracts with DOD, NASA, and Coast Guard): Enter the dollar value of all subcontracts with HBCUs/MIs.

BLOCK 14: Report all subcontracts awarded to HUBZone SBs (including women-owned, veteran-owned, service-disabled VOSBs, and SDB HUBZone SBs).

BLOCK 15: Report all subcontracts awarded to VOSBs (including women-owned, SDB, and HUBZone SB VOSBs).

BLOCK 16: Report all subcontracts awarded to service disabled VOSBs (including Service-Disabled Veteran Owned Small Business Concerns that are SDBs, WOSBs, and HUBZone SBs). These subcontracts should also be reported in Block 15.

SPECIAL INSTRUCTIONS FOR COMMERCIAL PLANS

1. This report is due on October 30th each year for the previous fiscal year ended September 30th.

2. The annual report submitted by reporting organizations that have an approved company-wide annual subcontracting plan for commercial items shall include all subcontracting activity under commercial plans in effect during the year and shall be submitted in addition to the required reports for other-than-commercial items, if any.

3. Enter in Blocks 10a through 15b the total of all subcontract awards under the contractor's Commercial Plan. Show in Block 8 the percentage of this total that is attributable to the agency to which this report is being submitted. This report must be submitted to each agency from which contracts for commercial items covered by an approved Commercial Plan were received.

DEFINITIONS

1. Direct Subcontract Awards are those that are identified with the performance of one or more specific Government contract(s).

2. Indirect Subcontract Awards are those which, because of incurrence for common or joint purposes, are not identified with specific Government contracts; these awards are related to Government contract performance but remain for allocation after direct awards have been determined and identified to specific Government contracts.

SUBMITTAL ADDRESSES FOR ORIGINAL REPORT

For DOD Contractors, send reports to the cognizant contract administration office as stated in the contract.

For Civilian Agency Contractors, send reports to awarding agency:

1. NASA: Forward reports to NASA, Office of Procurement (HS), Washington, DC 20546

2. OTHER FEDERAL DEPARTMENTS OR AGENCIES: Forward report to the OSD/BU Director unless otherwise provided for in instructions by the Department or Agency.

FOR ALL CONTRACTORS:

SMALL BUSINESS ADMINISTRATION (SBA): Send "info copy" to the cognizant Commercial Market Representative (CMR) at the address provided by SBA. Call SBA Headquarters in Washington, DC at (202) 205-6475 for correct address if unknown.

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS					1. REQUISITION NUMBER		PAGE 1 OF 148			
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30										
2. CONTRACT NO.		3. AWARD/EFFECTIVE DATE		4. ORDER NUMBER		5. SOLICITATION NUMBER		6. SOLICITATION ISSUE DATE		
						797-PV-03-002		June 20, 2003		
7. FOR SOLICITATION INFORMATION CALL: ?		a. NAME GERMAN ARCIBAL & JUNE M. FITCH				b. TELEPHONE NUMBER (No collect calls) 708-786-7663 & 708-786-5174		8. OFFER DUE DATE/ LOCAL TIME July 31, 2003 4:30pm		
9. ISSUED BY:		CODE		797		10. THIS ACQUISITION IS X UNRESTRICTED X SET ASIDE: % FOR X SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> 8(A) NAICS: 424210 SIZE STANDARD: 500		11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MAKRED <input type="checkbox"/> SEE SCHEDULE		
DEPARTMENT OF VETERANS AFFAIRS NATIONAL ACQUISITION CENTER BUILDING 37 1 ST AVENUE, 1 BLOCK N OF 22 ND STREET P.O. BOX 76 Hines IL 60141								12. DISCOUNT TERMS		
								13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) <input type="checkbox"/>		
								13b. RATING		
								14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP		
15. DELIVER TO		CODE				16. ADMINISTERED BY		CODE		
FACILITIES LISTED IN ATTACHMENT A						DEPARTMENT OF VETERANS AFFAIRS NATIONAL ACQUISITION CENTER BUILDING 37 1 ST AVENUE, 1 BLOCK N OF 22 ND STREET P.O. BOX 76, Hines IL 60141				
17a. CONTRACTOR/ OFFEROR		CODE		FACILITY CODE		18a. PAYMENT WILL BE MADE BY		CODE		
						FACILITIES LISTED IN ATTACHMENT A SEE Part II, "Payments" on pages 92 and "Prompt Payment" on pages 100)				
TELEPHONE NO.		DUNS #				18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM				
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER										
19. ITEM NO.		20. SCHEDULE OF SUPPLIES/SERVICES		21. QUANTITY		22. UNIT		23. UNIT PRICE		
		Refer to Fee Schedule (Pages 75 through 89)						\$		
		(Use Reverse and/or Attach Additional Sheets as Necessary)						\$		
25. ACCOUNTING AND APPROPRIATION DATA To be shown on individual delivery orders issued against this contract						26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$				
27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA						X ARE <input type="checkbox"/> ARE NOT ATTACHED				
27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED. ADDENDA						X ARE <input type="checkbox"/> ARE NOT ATTACHED				
<input checked="" type="checkbox"/> 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 4 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.						<input type="checkbox"/> 29. AWARD OF CONTRACT: REF. _____ OFFER DATED _____, YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:				
30a. SIGNATURE OF OFFEROR/CONTRACTOR						31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)				
30b. NAME AND TITLE OF SIGNER (Type or print)			30c. DATE SIGNED			31b. NAME OF CONTRACTING OFFICER (Type or print)			31c. DATE SIGNED	

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STANDARD FORM 1449 (REV. 4/2002)
PRESCRIBED BY GSA - FAR (48 CFR) 43.212

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

NOTES TO OFFERORS:

- ❖ **Sealed offers/proposals will be received at the address specified in Block 9, or if hand carried, to the depository (Security Desk) located in Block 16, no later than 4:30pm, Central time, July 31, 2003. Changes and revisions to any part of this solicitation by the offeror are prohibited.**
- ⇒ Although all offerors are encouraged to provide a proposal/offer on each Region listed in the solicitation, the Government intends to evaluate the offers and make any resultant award(s) using a cascade evaluation method as follows:
- ❖ **Proposal Line Items #1 - 5 and 9 –14 Full and Open Competition.** The Government will consider for award, offers from all responsible business concerns, which provides a competitive offer in accordance with this solicitation, whose offers meet the solicitation requirements in terms of price and the non-price evaluation factors disclosed in the solicitation. Award(s) for each of these proposal lines will be made on an unrestricted basis to the offeror who's offer provides the best expected value to the Government.
- ❖ **Proposal Line Items #6-8** – Pursuant to FAR Part 19, this portion of the solicitation has been **set-aside** for the exclusive participation of small business concerns, provided that a minimum of two competitive offers, in accordance with this solicitation, have been received from small business concerns whose offers meet the solicitation requirements. If two offers from qualified small business concerns are not received, or the contracting officer determines that no offer submitted by a small business concern is acceptable in terms of price and the non-price evaluation factors disclosed in the solicitation, the set-aside for the designated proposal line(s) will be withdrawn via amendment to the solicitation and the award(s) for the designated proposal line(s) will be considered on an full and open unrestricted basis offers from all responsible business concerns (regardless of size). FAR 19.501(h) provides that a contract may not be awarded as a result of a small business set-aside if the cost to the awarding agency exceeds the fair market price. The VA contracting officer reserves the right to consider competitive proposals submitted from all responsible offerors in determining the fair market price for the requirements of line items 6-8.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Pharmaceutical Prime Vendor (PPV) CONTRACT FOR:

COMMODITY: FSC Group 65 PHARMACEUTICALS and MEDICAL/SURGICAL ITEMS

CONTRACT PERIOD: Resultant contract(s) shall be effective 90 calendar days after the date of award or April 1, 2004, whichever is later. Base period for initial performance period is 90 calendar days after date of award or April 1, 2004, whichever is later, through March 31, 2006. Contract(s) shall then have 3 one-year renewable options. Renewal of options is at VA's discretion. (Note clause FAR 52.217-9, Option to Extend the Term of the Contract.)

TYPE OF CONTRACT: Resultant contract(s) shall be Indefinite Delivery, Requirements Contract(s) (Refer to FAR Clause 52.216-1, "Requirements").

ESTIMATED ANNUAL REQUIREMENTS

The estimated volume for each authorized Agency as shown in Attachment A represents the Government's best estimate of annual purchases in dollars for all items to be made available through this contract. The estimated annual dollar purchases are shown for each facility as well as for the entire region, (excluding the CMOP facilities, the HHS/SSC facility along with the NAC accounts). The annual estimates for the CMOP facilities, the HHS/SSC Perry Point facility and the VA NAC accounts, are not listed in the geographic region in which they reside, but are listed as separate annual estimates under one group as one proposal item. The solicitation covers the 50 United States, Washington D.C., Puerto Rico, Philippines, US Virgin Island and a single location on the Mariana Islands. No guarantee is given that this volume will be purchased. The estimated annual value of any resultant contracts will be based on the estimated annual purchases for that region.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

AGENCY PARTICIPANTS

Agency, Bureau, or Organization	Approx. Number of Facilities
Dept. of Veterans Affairs (VA), VA Medical Centers (VAMCs) Outpatient Clinics (OPCs) and VA Community Based Clinics (CBOCs)	272
State Veterans Homes	47
Dept. of Veterans Affairs (VA) , Consolidated Mail Outpatient Pharmacy (CMOP)	7
Department of Health and Human Services (HHS), Program Support Center, Supply Service Center, Perry Point, MD	1
Dept. of Veterans Affairs, National Acquisition Center (NAC)	1
Department of Health and Human Services (HHS), Indian Health Service (IHS)	214
Department of Health and Human Services (HHS), Health Resources and Services Administration, Bureau of Primary Healthcare, Division of Immigration Health Services	10
Food & Drug Administration	10
Bureau of Prisons (BOP)	101
Howard University	1
PHS (Commonwealth of Northern Mariana Island)	1
TOTAL NUMBER OF PARTICIPANTS (PARTICIPANTS ARE FURTHER DETAILED IN ATTACHMENT A AND ARE GEOGRAPHICALLY LISTED IN REGIONS OF AWARD(S) Note: Offerors are advised that a limited number of additional participating sites for any of the above organizations may be added (QUARTERLY) by bilateral modification.	665

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

DEFINITIONS:

For the purpose of and as used throughout this solicitation, and any resultant contract(s), the following words or terms are used as defined.

"Adequate Supply"- A supply of items made available to the customers that allows conformity with the delivery requirements set forth in I-18, "Delivery", within the parameters of the fill rate and historical purchase patterns.

"Automatic Replenishment"- A management information system tool normally used in a large hospital or warehouse setting. The PPV automated order entry system is linked to a pharmacy management system to create orders based on product usage. The system tool eliminates the guesswork typically involved in the ordering and inventory management processes.

"Basic Ordering Agreements (BOAs)"- A BOA is a national non-committed agreement that establishes the product price of an item manufactured or distributed by a National Industries for the Blind (NIB) or National Industries for the Severely Handicapped (NISH) workshop. Attachment H represents those companies with BOAs for products under the categories listed in paragraph f.2 below.

"BIG 4" - Under Public Law 102-585, Veterans Healthcare Act of 1992, Section 603, the Department of Health and Human Services (including Public Health Services and Indian Health Services), along with the Department of Defense, the Department of Veterans Affairs, and the U.S. Coast Guard are four organizations statutorily entitled to receive the Federal Ceiling Price (FCP) for pharmaceuticals (covered drugs).

"Blanket Purchase Agreement- (BPA)" - A provision under the FSS program which allows for additional discounts and/or incentives.

"Bulk"- (Used in relation to orders and deliveries): A customer order of a large quantity of a single product/item/unit or the combination of numerous products/units/items that are palletized and shrink wrapped versus being delivered via case or tote. The successful PPV shall be required to presort Bulk deliveries by lot number and/or customers delivery zone. Bulk deliveries are required by our CMOPs, the HHS, SSC Perry Point facility and the National Acquisition Center's accounts.

"Chargeback Arrangements/agreements" (Chargebacks) - A payment reimbursable agreement/arrangement coordinated between the PPV(s) and the product suppliers/manufacturers which allows the PPV's to be made fiscally whole for products sold to authorized customers of this program. The Government will not become involved in these agreements/arrangements, area nor will the Government assume any responsibility for these monies. Chargebacks shall be handled in accordance with industry standards.

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DEFINITIONS (cont).

“Closed Distribution Products (CDP)”- There are about ten or eleven products that are currently on closed distribution through this program. The closed distribution is either required by the manufacturer or by the FDA. Reasons for the closed distribution of a product include patient safety, or the product is new to the market. Most orders for closed distribution products are passed through the PPV for delivery directly by the product supplier.

“Community Based Out Patient Clinic (CBOC)”- A VA managed or contracted satellite facility located in the local community to provide service to eligible Veterans.

“Confirmation Printback”- An electronic confirmation report generated from the PPV’s ordering system and sent via modem/internet back to the ordering facility indicating that the requested items are available, on manufacturer back order, out of stock, or deleted, etc. Also referred to as the Confirmation Printback Report.

“CMOP” - Consolidated Mail Outpatient Pharmacy- There are currently seven such established large automated VA facilities that fill the mail out prescriptions of eligible patients. During the contract period it is anticipated that a few additional CMOPs may be established and added to the contract.

“Contracting Officer (CO)” - Government official designated to award, administer, and obligate the Government to the responsibilities of any resultant contract(s) awarded against this solicitation. The CO for this contract is located at the Department of Veterans Affairs, National Acquisition Center(NAC), in Hines Illinois. The CO serves as the liaison between the PPV(s) and all customers participating under this program. The terms “the NAC CO” or “VA NAC CO”, or “the “VA’s CO” have the same meaning and may be used interchangeably throughout the solicitation.

“Contracting Officer Technical Representative (COTR)” - A Government official designated at each facility or Agency, to provide such functions as designating the delivery point, arranging for alternative delivery schedules, etc. The COTR is delegated by the VANAC Contracting Officer and serves as a liaison between the PPV(s) and the Contracting Officer. The term Contracting Officers’ Representative (COR) has the same meaning and may be used interchangeably, in the contractor performance and other terms.

“Customer”- A VA or Other Government Agency (OGA), authorized to use this contract. Customer is also referred to as “facility” or “using facility.”

“Diversion”- Pharmaceutical products ordered under Federal contracts are intended solely for the use of authorized ordering activities in carrying out their Federal missions; they are not intended for resale or barter. Any transfer of Federal contract priced items that does not service the ordering activity’s defined mission, as well as any transfer for the purpose of generating a profit on the difference between contract prices and commercial prices (such as “AWP”) is an improper diversion of Federal supplies. (See Reports Section I- 28 and clause AS3023 herein)

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DEFINITIONS (cont.)

"Drop Shipments" - Products ordered by the customer through the prime vendor program and shipped directly to the customer from the product supplier.

"EDI" - Acronym for Electronic Data Interchange. Inter-process (computer to computer application) communication of business information in a standardized electronic form.

"Fast Pay" / "VA Prime Vendor Program, Alternate Payment Program"- An expedited payment procedure used under the Pharmaceutical Prime Vendor Program, wherein payments are made to the PPV within 24 to 48 hours vs. payment established as NET 15. (Deviation pending).

NOTICE: The VA has negotiated with financial institution(s) to provide any resultant contractor 24 – 48 hour payments. At the current time, there is a \$.80 transaction fee per invoice that shall be paid by the PPV to the financial institution processing your invoices. All VA orders shall be processed in this manner, with some OGA's also making payments under this Alternate Payment/FAST PAY method. (See Attachment A for list of customers paying under the FAST Pay Program and Attachment L for additional FAST Pay Program information.)

"Federal Ceiling Price (FCP)"- FCP is the application of Section 603 of the Veterans Health Care Act, Public Law 102-585 (the Act). Section 603 enacts a drug discounting process administered by the Department of Veterans Affairs (DVA) for the benefits of Federal Agencies considered the "Big 4" (see Definition above) .

"Federal Supply Schedule (FSS)"- A multiple-award program, in which similar products are awarded and provided under schedule contracts.

"Fill or Kill (ORDERING)"- No backorders shall be placed under this contract (except for the HHS Supply Service Center in Perry Point MD). On each order, whatever can be filled will be filled, what cannot be filled will be canceled from the order. The PPV shall notify the ordering account of items being "killed" from an order.

"First Fill"- In some instances the PPV(s) shall be required to first fill the government's PPV orders before filling their commercial based customers orders. In such required situations, the direction to release the product to Government customers participating under this contract first, shall be presented to the PPV(s) by the NAC along with written agreement from the product manufacturer.

"HHS, Supply Service Center (SSC), Perry Point, MD"- A Public Health Service facility which services the VA's and some OGA's as the repackager of pharmaceutical products purchased through the Pharmacy Prime Vendor Program.

"Indian Health Service (IHS)"- An Agency within the Department of Health and Human Services which is responsible for providing Federal Health Services to American Indians and Alaska Natives.

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DEFINITIONS (cont.)

"Implementation Period"- A 90 calendar day period from date of award. This implementation period will be used as a phase out, phase in transition period of the old contract to the new contract. Transition period may be referred to synonymously with Implementation Period.

"Manufacturer Back Order (MBO's)"- A physical order placed by the PPV to a product manufacturer and which is not shipped to the prime vendor from the product manufacturer within seven calendar days.

"Miscellaneous other government contract"- A contract awarded by any Government Agency participating under any resultant contracts awarded under this solicitation, including any regional or local contracts. When in accordance with the terms and conditions of the Pharmaceutical Prime Vendor Program, a participating facility requires that their contracted items be distributed through the PPV, the facility shall provide the miscellaneous other government contract award documentation to the National Acquisition Center (NAC) for release to the PPV(s). Authorization for the PPV(s) to load pricing against any "Miscellaneous Other Government Contracts" shall be provided by the National Acquisition Center.

"National Acquisition Center's Account"- A Department of Veterans Affairs customer account that generally requires large bulk deliveries that are shrink wrapped and palletized. Currently there are three such accounts covered under this program.

"National Standardization Contract Items"- Products/items/units awarded as competitive award contracts that provide quantity requirements and definitive product specifications. They are committed use, mandatory source contracts for VA facilities. The mandatory use by the VA facilities helps facilitate VA's standardization of its National Formulary, as well as the consolidation of volume buying requirements (Attachment B and G). OGA's and Option 1 State Veteran Homes, are restricted access to National Standardization Contracts unless a formal commitment is made between the OGA, VA and the National Standardization Contractor.

"National Supply Service Center" (NSSC)- A Federal Indian Health Service Facility in Ada, Oklahoma, that serves as the procurement agency for many Indian Health Service hospitals and clinics and tribal facilities located throughout the Continental United States. The NSSC serves as the "Parent" facility for their designated IHS facilities.

"Next Day Delivery"- Orders placed by participating customers by 6:00pm local time (local time at the ordering facility) shall be delivered the next business day (M-F), (M-Sat for CMOP's only). E.g.; ordered by 6:00pm local time on Wednesday, shall be delivered to customer on Thursday, in accordance with the terms and conditions of the Section I-18 Delivery. Orders placed on Friday or Saturday shall be delivered on Monday. (Friday CMOP orders shall be delivered on Saturday, with Saturday CMOP orders being delivered on Monday).

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DEFINITIONS (cont.)

"Next Scheduled Delivery Day"- Based on the terms outlined in the solicitation and any resultant contract, the next scheduled delivery day is the day agreed upon by the prime vendor and the customer for delivery of products. For some OGA's the next scheduled delivery day may not necessarily denote that the delivery will be made within 24 hours. (See Section 1-18 Delivery).

"Offer"- Synonymous term for proposal. Offer means a response to a solicitation that, if accepted by the Government, would bind the offeror to perform the resultant contract.

"Open Market Item" - Any item/product/unit not under a current Federal government contract. The Government anticipates that a PPV supplying any open market items under this program to the Government customers, shall do so at a fair and reasonable, favored customer price.

"Oral Presentation"- An oral submission of information to the Government by the offeror, used to augment or supplement all or part of written proposals.

"Outpatient Center" (OPC) - A VA satellite facility, located on the grounds of a VAMC or in the local community to provide service to Veterans. Also referred to as an Outpatient Clinic.

"Paperless Invoice System" - A PPV furnished feature on their electronic ordering system which provides each customer a correct and complete invoice based on the customers' order, the PPVs' confirmation printback report and actual receipt of product. Electronic invoice must reflect the requirements outlined throughout the solicitation and must have the capability to be printed (hard copy) by the customer.

"Parent" Facility - A participating facility who also holds the responsibility to approve and or make payment for their affiliated satellite facilities.

"Pass Through Orders"- A Customer order for contracted Products/items/units that are not normally stocked by the PPV usually at the direction of the product manufacturer, which is usually based on the nature or handling of the product (frozen etc.) The customer orders the product directly with the manufacturer or the PPV, and the product is drop shipped directly to the customer by the manufacturer. The manufacturer notifies and bills the PPV, who then invoices and receives payment from the customer. Pass through arrangements are developed in advance and are ongoing, while drop ship orders may be more of a short term nature.

"Pharmacy Benefits Management (PBM)" - The VA's pharmacy management office.

"Pharmaceutical Prime Vendor (PPV)" - Also referred to as "contractor" or Prime Vendor", is a business concern that functions as a purchaser's source of distribution for a wide array of pharmaceutical products as identified by the customer. A prime vendor is responsible to maintain an adequate supply of, and distribute drug/pharmaceutical items and any other items contracted for that are dispensed through the customers' pharmacy service. For the purpose of this solicitation, such a business concern must have at least five years of experience as a pharmaceutical prime vendor.

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DEFINITIONS (cont.)

"Products/Items/Units" - Synonymously used to denote the merchandise requested by the customers to be delivered through the prime vendor program.

"Product/Item/Unit Usage Data"- A list of drug/pharmaceutical (Federal Supply Class 65) products/ items/units and any other products/items/units contracted for that are dispensed through a pharmacy service with actual therapeutic purposes; along with their associated estimated quantities, that have been identified by customers, as being required for ordering under the PPV program either on a recurring or non-recurring basis. Products, items and units, are used synonymously throughout this solicitation.

"Point of Contact (POC)"- A designated person at each facility authorized to assist the PPV. This person usually has minimal or no contract authority to represent the CO or the COTR, but is offered to the PPV as a contact source of the facility. Such persons will be identified to the PPV(s) as POC's (and not COTR's).

"Recurring Items" - Items ordered by customers on a regular basis at least once per month.

"Regional Supply Service Centers (RSSC)" - A Federal Indian Health Service Facility that serves as the procurement authorizing agency for Indian Health Service hospitals and clinics and tribal facilities located throughout their defined regions. A RSSC will serve as the "Parent" facility for many of their designated IHS facilities.

"Regions"- For the purpose of this solicitation and any resultant contracts, a region is a customer base encompassed throughout a geographical combination of various existing VA VISN's or portions of VISN's.

"Reservation Orders"- A separate PPV order placed at the discretion of the customer, only in situations of MBO's; wherein the PPV reserves the customer's request for products until the products becomes available for release. (See Section I-9)

"Satellite Facility"- A participating facility whose delivery/task order, must bear the prior approval of another participating facility. Only the satellite's approving facility (also referred to as the "Parent" facility), holds the authority to authorize the order on behalf of the Government. Orders from Satellite facilities that do not reflect the prior approval of their "Parent" approving facility shall not be released by the PPV(s) for delivery.

"Sequestered products/ items/units"- These are products that the VANAC will designate to the PPV(s), as products available to VA PPV or PPV customers only. A determination by the VANAC or the product supplier to sequester products for a specific class of customers participating under the PPV program may occur when there is limited availability of contracted product, or at a manufacturers request, or when the product is intended for a specific program. (Example: The VANAC may designate the PPV(s) to sequester products to the CMOP's only).

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DEFINITIONS (cont.)

"Small Business Concern"- For the purposes of this solicitation and any resultant contracts, and in accordance with Federal Acquisition Regulations Part 19, ,a small business entity organized for profit, consisting of 500 or less employees (under NAICS code 424210), including all affiliates.

"Split Screen Order System" - A PPV provided software program feature that is required to be part of the PPV's automated ordering system for the establishment at those facilities identified by the VANAC as being a satellite facility requiring this feature such as SVH Option 2's, some OPC's, some IHS and Tribal facilities. The PPV software program shall be required to process orders that are placed electronically by satellite facilities in a manner that transmits the satellites' request for a delivery/task order to the satellites ordering/approving office (Parent facility) simultaneously as it sends it to the PPV's distribution center.

"State Veteran Home (SVH) Option 1" - A participating SVH with an approved Sharing Agreement with a VA Medical Center (VAMC). An Option 1 SVH authorizes its own delivery/task orders to the PPV and the SVH's payments are made directly to the PPV by the SVH. Option 1 SVH's shall be entitled to FSS pricing under this contract. (See Attachment A for designated Option 1 SVH's). An Option 1 SVH is not eligible for National Standardization Contract pricing unless it is specifically named in the scope of the National Contract or added by mutual agreement between the VA and the National Contractor.

"State Veteran Home (SVH) Option 2" - A participating SVH with an approved Sharing Agreement with a VA Medical Center (VAMC). An Option 2 SVH uses their affiliated VAMC, as a "Parent" facility and must have their prior approval for each delivery/task order to the PPV. Option 2 SVH's shall utilize the PPV's Split screen ordering process to obtain this approval, prior to product release by the PPV. Payments for Option 2 SVH's are made by their affiliated VA Medical Center. Option 2 State Veterans Homes shall be entitled to all pricing made available to the VA, including FCP for covered pharmaceuticals, and National Contract pricing. (See Attachment A for designated Option 2 SVH's)

"Stock Outage"- An occurrence wherein the PPV cannot make available an adequate supply of the customers requested products/items/units. As opposed to a MBO situation, the PPV shall be held responsible for stock outages.

"Tribal (638) Facility"- A Federally recognized, American Indian or Alaska Native facility operated under the management of the Tribe versus the auspice of a Federal IHS facility. Synonymously referred to as a "638" facility, with 638 representing Public Law 93-638 which is the legislation under which the tribal facility is given a contract by IHS to operate Health Care Facilities under a compact or contract, with Federal funding from IHS.

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DEFINITIONS (cont.)

“Universal Product Numbers (UPN's)” A unique identifier of healthcare products. It is derived from either the HIBCC-LIC or UCC/EAN bar code labeling data structures. The HIBC-LIC format is variable in length, alpha-numeric and consists of the manufacturer LIC assigned by HIBCC, the labeler's product or catalog number, and the package level (or inventory unit) indicator. The UCC/EAN format is fixed length, all numeric and consists of the UCC/EAN assigned manufacturer number (company prefix), numeric item number, a package level (or inventory unit) indicator, and a calculated check character.” This definition specifies that a unique UPN should be created and assigned to each packaging level (or inventory unit) of each product, and to create UPN standard compliant barcode labels on all of their healthcare products at each unit of inventory. The term “Universal” means that the UPN is to be the key identifier for all product units. It should be used to communicate information about all product units between all trading partners in the supply chain. In consonance with this request, contractors awarded a contract under this solicitation shall utilize UPN's that are commercially available from manufacturers. These UPN's shall be the key reference to healthcare product information in all product recalls, business documents, and reports called for under the terms of this contract. PPV contractors are not required to mandate that manufacturers obtain UPN's. If a UPN is established independently by a manufacturer for a healthcare product required to be supplied to the ordering facilities, authorized to utilize the PPV contract, the PPV is required to obtain from such manufacturer and utilize that UPN in accordance with the requirements of this solicitation.

“VAMC” - Acronym for Veterans Affairs Medical Center

“VANAC”- Acronym for the Department of Veterans Affairs National Acquisition Center. VANAC is the contracting office for this procurement.

“VISN”- Veterans Integrated Service Network- Commonly referred as “VISN”. A VISN is a group of VA Medical facilities within a geographic area.

“VISTA”- (Veterans Integrated Systems Technology Architecture) The Department of Veterans Affairs' primary information system.

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STATEMENT OF WORK:

I-1 Scope

- a. The Contractor (also called "Pharmaceutical Prime Vendor"(PPV) shall maintain an adequate supply of and distribute all drug/pharmaceutical (Federal Supply Class 65) items and any other items contracted for that are dispensed through pharmacy service with actual therapeutic purposes (e.g. nutritional supplement items) under Government supply contracts. These items are sold under various Federal Supply Schedules (FSS) (see Attachments C, D, and E), VA National contracts (Attachment B), Basic Ordering Agreements (BOA) (see Attachment F, and miscellaneous other Government contracts (see definitions below).

At the discretion of an eligible customer, (and only after the customer has complied with their internal policies and with all applicable procurement laws and regulations); the PPV may be requested by the customer to supply and distribute open market drug/pharmaceutical products/items/units on their behalf. Upon the PPV's acceptance to supply and deliver open market orders under this program, the PPV hereby agrees that the ordering, delivery, payment and reporting terms of this solicitation and any resultant contract(s) shall apply to the order, as will the awarded negative distribution fee.

- b. Products and services under any resultant contract(s) are for direct use by the facilities covered by this contract and the resale of products by participating facilities is prohibited. The Government anticipates that after award some using facilities/agencies may be added to the contract(s). When required, such additions will be accomplished on a quarterly basis, with facility deletions being accomplished when required. The Government will negotiate a bilateral modification to add a facility, with the PPV contractor awarded the region in which the facility is located.
- c. The Government anticipates that payment under any resultant contract(s) shall be made to the vendor within the terms and conditions of a NET 15 day payment (deviation pending) to the Prompt Payment Act, (clause included). In addition to the payment terms of NET 15, an expedited "Fast Pay" /VA Prime Vendor Program Alternate Payment Program, (deviation pending) shall be mandatory for all VA facilities participating in this contract. The use of the "Fast Pay" /VA Prime Vendor Program Alternate Payment Program is OPTIONAL for Other Government Agencies (OGA's) participating under this contract. Currently there are approximately 320 VA and OGA accounts that are making payments using the existing Fast Pay Program (See Attachment A). The Government anticipates to receive an offer of a larger negative Distribution Fee offered to those customer accounts using the Fast Pay Program (See Section I-31 Fee Schedule). At anytime during the

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1-1 Scope (cont.)

c. (cont.)

performance period of this contract, when a NET 15 day paying customer commits to making their payments under the Fast Pay program in order to receive the awarded larger negative Distribution Fee, the Government will notify the Prime Vendor via a contract modification in order to include the FAST Pay Customer under the awarded Fast Pay distribution fee.

- d. The PPV shall also be responsible to propose and have in-place an emergency contingency plan for disaster recovery, which protects the Government from the disruption of the requirements outlined herein.
- e. The following Special Item Numbers are applicable to FSS Group 65, Part I, Section B, Drugs, Pharmaceuticals & Hematology Related Products (Attachment C)

<u>Special Item Number (SIN)</u>	<u>Description</u>
SIN 42-2A	Single source innovator, multiple source innovator, and biological and insulin pharmaceutical products (i.e. covered drugs).
SIN 42-2B	Generic & multiple source pharmaceuticals & drugs, human blood products, & over-the-counter drugs
SIN 42-3	Complete IV delivery systems
SIN 42-4	New molecular entity
SIN 42-5	Dietary/Nutritional/ supplements
SIN 622	Antiseptic Skin Cleansers, Detergents, Dispensers – only small personal sizes (no more than 16 ounces) and no dispenser items (See Attachment C);

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1-1 Scope (cont.)

- f. The PPV also shall maintain an adequate supply of and distribute products under the contracts programs listed below.
1. Blood-glucose test strip items sold under Federal Supply Schedule Group 65, Part VII, In-Vitro Diagnostics, Reagents, Test Kits, and Test Sets (See Attachment D); and
 2. Medical/surgical items classified under select product categories (see listing below), for outpatient pharmacy dispensing only, and which are sold by Government-medical/surgical contractors under Federal Supply Schedule Group 65, Part II, Section A (**Attachment E represents the current list of contractors offering products listed in below, and whose products also meet VA's standardization initiatives); and Basic Ordering Agreements (BOA's) (see Attachment F).**

<u>SIN</u>	<u>Description</u>
A-1	Adhesive Tapes/Bandages
A-2	Applicators/Swabs/Wipes/Pads
A-3	Bandages/Gauze
A-4	Dressings
A-6	Sponges, Surgical
A-10	Catheters, Cannulas, Airways, Tubes, and Accessories (Limited to urethral and external catheters)
B-12	Colostomy/Ostomy Products
B-13	Gloves, Medical, Surgeons and Exam (Latex & Vinyl) All Sizes
B-13 (a)	Latex, Sterile
B-13 (b)	Vinyl, Sterile
B-13 (c)	Latex, Non-sterile
B-13 (d)	Vinyl, Non-sterile
B-15	Needles, Syringes & Jet Injectors
B-15 (a)	Needles, Hypodermic
B-15 (b)	Syringes
B-15 (c)	Syringes & Needle Combination
B-15 (d)	Syringes & Needle Combination w/built-in Protective shields (anti-stick)
B-15 (e)	Protective sheaths for needles, hypodermic & IV (anti-needle stick)
B-15 (f)	Needles, Biopsy
B-15(g)	Jet Injectors, Needle-Free
B-16	Stockings (Anti-Embolism Only)
B-18	Sets, Kits and Trays, Disposable such as Irrigation Kits, Catheter Sets & Blood Gas Kits. (Excluding First Aid Kits and Urinary Products)
B-22 (b)	Urinary Drainage Bags/Kits/Sets
B-26	Incontinent Products
B-26(a)	Pads, Bed Linen Products
B-26(b)	Diapers
B-32	Hospital ware Plastic/Stainless/Paper Cups (Medical Use Only, such as: Bedpans, Urinals, Sponge Bowls & Water sets)

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1-1 Scope (cont.)

- g. All items shall be distributed when ordered by the participating facilities (Attachment A) in accordance with the terms and conditions herein on a "Fill or Kill" basis with the exception of HHS, Supply Service Center (SSC), Perry Point, MD (see Definition above & Ordering Section I-9). All participating facilities listed in a region shall be serviced by the PPV awarded that region. Individual delivery orders will be issued against this contract for the items required.
- h. CMOP Specific Requirements-The PPV shall at the VA's request, furnish the VA CMOP sites with bulk orders and bulk delivery of pharmaceuticals and related products. **The PPV shall designate a VA CMOP Distribution Coordinator, who will be responsible for coordinating all business activities between the CMOP Directors and the PPVs' operations officials.**
- i. HHS/SSC, Perry Point MD, and NAC accounts Specific Requirements- Upon request by the HHS/SSC, and the NAC accounts, the PPV shall coordinate large and bulk orders from a standard list of pharmaceutical items (such list will be furnished to the PPV during the implementation period). Drop shipments shall be made through the manufacturer only when approved by the Director of the facilities and the PPV. The awarded negative PPV distribution fee for such drop shipments shall be applied to the orders. **The PPV shall designate a HHS/SSC and NAC account Distribution Coordinator, who shall be responsible for coordinating all business activities between the Directors and the PPVs' operations officials.** The PPV shall assist the Directors with special project support to fulfill unique requirements when special provisions are necessary to meet the needs of their customers.
- j. The Government reserves the right to require the awarded Prime Vendor to have a system available for the storage, inventory and rotation of Government owned stock of pharmaceuticals and limited medical surgical supplies. The Government intends to negotiate any additional terms and conditions of this requirement with the awarded Prime Vendor.
- k. **At the direction of PBM, the Government may require the PPV(s) to enter into a commercial agreement with a pharmaceutical specialty distributor, to manage a system for the distribution of a closed class of various pharmaceuticals. At a minimum, the agreement must be capable of maintaining a patient register when required, along with providing drug education to the Physicians involved with the receipt and release of the pharmaceuticals.**
- l. **The 2000 amendment to Section 105k of the Indian Self Determination and Education Act (25 U.S.C. 450j(K), allows IHS/HHS and VA to agree, at the request of Indian tribes, to allow the tribes direct access to VA's PPV program. Several tribes have recently requested access under this statute, but VA & IHS/HHS have not yet finalized the necessary interagency agreement. It is expected that an agreement will be signed in the near future and may be applicable to certain region's of the resultant contract(s). Hence, during the period of any resultant contract(s) awarded from this solicitation, the Government may require the PPV to negotiate in good faith a modification to the**

contract(s) which would permit the electronic ordering, delivery requirements, etc., outlined in this solicitation to be provided directly to those Federally recognized tribal facilities covered by Public Law 93-638, who have received authorization from IHS and the VA to receive

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1-1 Scope (cont.)

I. (cont).

Government supplies through VA's prime vendor program. The Government will negotiate in good faith with the PPV, any additional terms and conditions that may be determined necessary to provide direct PPV access to a "638" facility.

- Such Federally recognized "638 direct" facilities will be added to this program via a bilateral modification between the Government and the PPV.
- Participating "638 direct" facilities shall be entitled to FSS pricing, and a negotiated Distribution Fee.
- Such Federally recognized "638 direct" facilities shall be entitled to the terms and conditions specified for "638 direct" facilities throughout this solicitation.
 - ❖ However, tribal and "638" facilities that are currently participating in the PPV program at time of any resultant contract award(s) under this solicitation, and that continue a funding affiliation with one of the Federal IHS, RSSC's or the NSSC identified under this contract, shall be entitled to the same pricing, terms and conditions as available to a Federal IHS facility (i.e., next day delivery, Big 4 prices, National Contract prices, etc.).
- The first opportunity to service a "638 direct" facility, will be given to the prime vendor awarded the geographical region in which the "638 direct" facility resides. However, the Government reserves the right to offer any Prime Vendor awarded a contract under this solicitation the opportunity to service an eligible "638 direct" facility.

I-2 Transition Period (Phase- Out/ Phase-In Period)

To ensure sufficient administrative time has been allowed for continuity of services at required quality levels as well as anticipated inventory levels, contract commencement shall begin 90 calendar days after date of contract award or April 1, 2004, whichever is later. All contract costs associated with the transition period shall be borne by the PPV(s) awarded a resultant contract(s).

For VA customers only—The VA PBM will provide the most recent historical data for each ordering facility to the PPV 30 calendar days after date of award. For OGA's, each ordering facility shall provide usage data to the PPV within 30 calendar days after date of award. The PPV(s) shall download all FSS and National contract products and prices from the website at

www.vapbm.org, no later than the 15th day prior to startup date, with a most current update being downloaded the day prior to the effective date of the contract(s). BPA contract products and prices will be provided to the PPV, within 30 calendar days after date of award.

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I-3 Implementation Plan

Offerors shall submit a written proposed implementation/conversion plan with their offer to the Contracting Officer (See Instructions to Offerors). This plan shall be in a time line chart format and shall detail a layout of when each ordering facility for the proposed region will receive installation and testing of all electronic ordering equipment at each Government site; training of Government employees; bar coding of each Government facility's shelves; price loading of all Government contract items; offeror's internal inventory preparation and distribution system; and offeror's plan to ensure that purchase agreements are in place with all Government sources identified in Attachments B through F of the solicitation. Conversion shall be accomplished within the 90-day transition period as stated above. Failure to complete the conversion within the transition period may result in the contract being declared terminated for cause. Along with the Implementation Plan, the offeror shall also furnish in compliance with the provisions of Section 1-8 Training, the training schedules and sites. All sites shall be notified fourteen (14) calendar days before the date of their scheduled training.

I-4 Customer Service

- a. **A designated PPV representative shall make a monthly scheduled sales call (a physical visit) to all sites to discuss customer satisfaction unless an alternate plan is agreed upon by the facility. Additional calls, as required to answer questions, solve billing and inventory problems, and review reports with the Director of Pharmacy or designated Point of Contact at each facility shall be at the request of the contracting officer's technical representative (COTR).**
- b. At a minimum of every six months, a conference call will be held with the participating Agencies' Program Managers, contracting officials at the VA NAC, PBM, and the contract administrator for the PPV(s) listed in the clause AS1108 Contact for Contract Administration, Section IV of the solicitation. Participants will be given 15 calendar days notice prior to the conference call and be furnished the date and time of the planned conference call.
- c. At a minimum, a monthly conference call will be held with the contracting officials at the VA NAC and the contract administrator for the PPV(s) listed in the clause AS1108 Contact for Contract Administration, Section IV of the solicitation. Participants will be given 10 calendar days notice prior to the conference call and shall be furnished the date and time of the planned conference call.
- d. Conference calls pertaining to paragraphs b and c above, will be organized and initiated by the VA NAC, and will serve to encourage communication between all parties and serve as a forum to resolve any common issues (such as program enhancements) within a region or activity.

NOTE: In addition to any scheduled conference calls, any and all problems and critical issues will be addressed immediately by the PPV(s) upon notification by the using facility, C.O.T.R's or NAC Contracting Officers.

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I-4 Customer Service (cont.)

BOP Specific Customer Service Requirements:

Each prospective PPV is advised that due to certain restrictions within the Bureau of Prisons, employees of the PPV that enter the secure confines of BOP facilities/institutions will be subject to the following investigative procedures. (Note: These investigative procedures will not be required in situations where routine/emergency deliveries do not require entry into the secured BOP facility.)

- National Crime Information Center (NCIC) Check
- **Completion of the Contractor Pre-Employment Form (See Attachment K)**
- Daily possession of a valid picture identification and daily entry into secured facility via metal detector.

NOTE: Employees, such as the Customer Service representative, that need ongoing entry into such secured BOP institutions will also need to provide a fingerprint check and a name check at the discretion of the institutions' warden or representative.

I-5 Automated Ordering System

- a. The PPV(s) shall provide, at no additional cost to the Government, each participating ordering facility the specified computer hardware and software equipment necessary for electronic order entry and bar code scanning capability. The equipment to be furnished by the PPV shall be complete, installed and perform to manufacturers' specifications.
- b. The PPV shall be responsible to provide at no additional cost to the Government, their own Internet access for each user (ordering facility's ordering points(s)) of the PPV Program, i.e., ordering, review of records/reports, real-time information, etc. (Note: All sites are web-enabled).
- c. PPV furnished equipment to be provided for each Parent and Satellite ordering site shall include, at a minimum, unless required elsewhere throughout this solicitation:
 1. **Two hand-held order entry devices- capable of:**
 - Accepting information from customers bar coded shelves
 - Accepting product information from bar codes
 - Accepting hand keyed in product information
 - Transmitting PPV order through PPV furnished Automated Order System.

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I-5 Automated Ordering System (cont.)

2. One personal computer- Minimum hardware configurations:
 - Pentium or equivalent 1.2ghz processor,
 - 256 MB RAM,
 - 20 GB hard disk,
 - 3.5" floppy drive,
 - CDRW drive,
 - 32 MB SVGA card
 - 17 inch SVGA color monitor,
 - 56K baud internal modem **and**
 - 56K baud external modem with cables
 - and a third serial port,
 - Microsoft compatible bus mouse,
 - two serial ports
 - one parallel port to connect to printer;
 - one 105 Key board;
 - network cards and
 - all necessary cables.
3. One compatible laser jet printer with 8-foot cable.
4. PPV furnished hardware shall be capable of operating in a Windows 2000 (or latest version) or Windows NT platform. On each PPV furnished personal computer for use by a VA customer (VAMC's, SVH's, OPC's, CBOC's, and the NAC accounts, along with those management offices that have read-only access for their sites); the Government shall furnish and install an appropriate program for use with their Drug Accountability software. Such installation of any software by the Government on PPV furnished hardware, will in no way violate any warranty and/or guarantee provisions of the hardware requirements included in this solicitation.

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I-5 Automated Ordering System (cont.)

- d. PPV shall also provide, at no additional cost to the Government, the software necessary to order items/products/units via the PPV furnished personal computer terminal. PPV provided software shall be capable of providing:
1. A web based (VPN) and stand alone ordering system, that is capable of being networked with other PPV ordering computers located throughout a customers facility. (A stand- alone system is one that can function when the network is down).
 2. Access to the PPVs' complete standard corporate contract database in addition to a customer unique database.
 3. Access for all PPV customers to view the databases for pricing and product source selection PRIOR to creating and transmitting an order to the PPV.
 4. **An inventory management program for all VA facilities and those OGA customers requesting the program. The inventory management program must be capable of reporting the following:**
 - (a) Demand Forecasting- Weighting factors are applied to past purchases to predict future needs.
 - (b) Economic order amount- The quantity of stock to order that minimizes costs.
 - (c) Safety stock levels- Safety Stock is used to compensate for delays in delivery or greater then anticipated demand.
 - (d) Calculations of reorder point and minimum and maximum inventory stock levels. Generation of bar coded shelf labels containing this information.
 - (e) Ability to override normal demand forecasting when necessary.
 - (f) Ability to designate lead-time, which affects required inventory stock levels.
 - (g) Calculation of inventory turns.
 - (h) Support of stratified inventory analysis method. This stratified inventory system according to total dollar purchase for the items (A, B, and C items) and must allow the tracking of high dollar cost products so these products can be managed more aggressively.
 - (i) Report capabilities to support the available tools.

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I-5 Automated Ordering System (cont.)

5. The capability for all customers to update and print labels and bar codes.
Note: During the implementation period of the contract, the PPV shall provide all bar code shelf labels and affix them to the ordering facilities' pharmacy shelves prior to the start of contract performance.
6. An online accessible account.
7. A Confirmation Printback.
8. A paperless invoice system.

e. PPV's automated ordering system shall contain and not be limited to, the following fields for ordered products/items/units, and shall appear in the ordering, and or confirmation printback, and or reports modules, and or invoice, as specified herein and elsewhere throughout this solicitation:

- Ordering Agency's name and PV assigned account number
- Product /Item/Unit Name
- Generic Name
- Product/Item/Unit Description
 - Strength
 - Package size
 - Manufacturer
- National Drug Code (NDC) for applicable pharmaceutical products
- Universal Product Number (UPN) (when available) - applies to healthcare products
- Universal Product Code (UPC) (when available)
- PPV's Product/Item/Unit Number
- Product/Item/Unit Number as assigned by ordering facility (where available)
- Product/Item/Unit denoted as a CII Control Schedule (where applicable)
 - Reference of established DEA number (where applicable)
- Reference of established HIN number (where applicable)
- Product/Item/Unit Government Contract Number (FSS, National, or Miscellaneous)
(Minimum of the Government's Contract last 5 digits)
- Type of contract – contract identification or code that identifies product/item/unit as FSS (F), National (N), Miscellaneous other government (M) contracts or open market (O). (See Reports I-28(B)3, CNTLD)
- Product/Item/Unit Government Contract expiration date.
- Product/Item/Unit Contract price (specific to the pricing and contract eligibility of each customer).
- Product/Item/Unit Lot number (on Invoice and Reports Only)
- Product/Item/Unit Expiration Date (on Invoice and Reports Only)
- Product/Item/Unit Bioequivalency Rating

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I-5 Automated Ordering System (cont.)

- Customer Delivery Zone (CMOP and HHS/SCC applicable)
 - Product/Item/Unit denoted as available as a Drop Shipment.
 - Product/Item/Unit denoted as available as a Pass-Thru Shipment.
 - Product/Item/Unit denoted as unavailable due to MBO, PV Out of Stock, Lockout Procedures or Allocation situations.
 - PV Distribution Center releasing requested product/item/unit.
 - PV assigned invoice number
 - PV payment information.
- f. PPV shall provide real time pricing updates and product availability. All updates are to be accomplished by 6:00am (ET) of the effective date of the update. For order placement, all pricing updates must be available by 6:00am (ET) daily on the facility's ordering screen and must be available for viewing product availability and pricing, prior to order transmission. NOTE: FSS pricing will be updated twice a month (See I-23, Price Loading) and all other change notifications will be made as they occur.
- g. PPV automated ordering system shall provide on-screen, real time, generic cost referencing. This generic cost referencing look-up screen shall contain all of the trade names and generic names for a product when either the trade or generic name is entered by the customer for referencing.
- h. For the purpose of this solicitation and any resultant contract(s), the Government has the right to use, disclose, reproduce, prepare derivative works, and display publicly in its facilities in any manner and for any purpose, data generated from the resultant contract(s). Data means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software.

Specific Automated Ordering System Requirements:

CMOP Specific Automated Ordering System Requirements –

1. The PPV shall provide all VA CMOP sites with a quantity of five (5) complete Automated Ordering Systems and software meeting the requirements as outlined in Section 1-5 a through h, above .
2. PPV shall also provide, at no additional cost to the Government, all VA CMOP sites with appropriate software interfaces to operate Automatic Replenishment communications used with automated warehouse materiel management systems. Appropriate interfaces shall be made to one of two possible proprietary dispensing systems.

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I-5 Automated Ordering System (cont.)

Specific Automated Ordering System Requirements:

CMOP Specific Automated Ordering System Requirements (cont.) –

2. (cont.)

- CMOP's located in Bedford, Dallas, Leavenworth, and West Los Angeles use the Siemens ElectroCom L.P. system
- CMOP's located in Charleston, Hines, and Murfreesboro use the SI/Baker, Inc. system.

The CMOPs' inventory control systems track the following data:

- NDC number,
- lot number,
- expiration date

Note: Offerors are urged to make a site visit to a CMOP to view first-hand the sites' operations, prior to the submission of offer. Addresses are shown in Attachment A. Please contact the National CMOP Director, Mr. Timothy Stroup (913-727-4839) to make an appointment. Additionally, offerors are encouraged to contact the above equipment manufacturers for further information regarding the existing systems. Addresses and points of contact for the manufacturers can be obtained by contacting Mr. Stroup at the above number. Please mention the solicitation number.

3. Requirements for interfacing with each CMOP inventory system and to meet the specific ordering requirements of the CMOP (see Section 1-9), shall at a minimum offer the following–
- (a) automatic ordering based on usage and/or minimal par levels
 - (b) paperless invoice system,
 - (c) automatic replenishment, stocking of the products into the inventory system
 - (d) unique electronic signature for receiving each line item on an invoice
 - (e) barcode technology to facilitate tote management by zone (i.e., each CMOP has as many as 20 zones for products to be stored, each zone has specific product package size requirements defined by the NDC code. A product may be required in multiple zones).
 - (f) automatic authorized price updating
 - (g) payment system shall be based upon receiving an item under a given order
 - (h) PPV product/item/unit number shall be linked to NDC, UPC or UPN number.
 - (i) PPV Software program shall recognize that inventory is available (on the shelf) once the inventory level has been updated in the CMOP inventory system.
 - (j) Ordering system shall be network compatible.
 - (k) Capability for assignment of a unique password for the technician receiving product and for signing the receipt of an invoice.
 - (l) Lot number and lot expiration date will be passed back to the CMOP automated system.**

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I-5 Automated Ordering System (cont.)

Specific Automated Ordering System Requirements:

HHS Supply Service Center, Perry Point, MD Specific Automated Ordering System Requirements -

The PPV shall provide the HHS/SSC Perry Point facility with a quantity of two (2) complete Automated Ordering Systems and software meeting the requirements as outlined in Section 1-5 a through h, above.

The PPV's provided Automated Ordering System and software shall be network compatible with the existing HHS/SSC information systems which are workstations that are running either on Windows 200 or XP, with Servers running either on Windows NT4.0 or 2000. The HHS/SSC inventory management system current runs on SCO OpenServer 5.06a.

Note: Offerors are encouraged to make a site visit to the HHS/SSC in Perry Point, MD to view first-hand the sites' operations, prior to the submission of an offer. The address is HHS SSC, Building 14, Perry Point, MD 21902. Please contact Mrs. Lorraine D'Angelo, (410-642-2244) to make an appointment.

IHS Specific Ordering System Requirements -

NSSC, Ada, OK Only (Heartland Region)— In addition to the hardware and software requirements cited above in paragraph 1-5 a – h of this section, the PPV shall furnish the following equipment and software as required at the NSSC, Ada, OK facility. The equipment shall be provided at no additional charge to the Government.

- Read only access shall be given to the Director, National Supply Service, 1005 N. Country Club Road, Ada, OK. The Director shall have read only access relating to ALL IHS, TRIBAL AND "638" SITES. The computer or other hardware cited above is not needed for the Director, just the software package allowing read-only access.
- **Two additional (equaling 3 total) complete PPV Automated Ordering Systems as outlined above, which shall include all the hardware, software and printers cited above.**
- One additional complete PPV ordering software package, which shall include access to all IHS and Tribal sites' accounts for reports and accountability purposes. This ordering software package shall be installed on an existing NSSC furnished computer and shall be used by the NSSC, C.O.T.R. for the NSSC and IHS/Tribal locations.
- Ordering System shall be network compatible with existing NSSC systems which is outlined in Attachment M.

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I-5 Automated Ordering System (cont.)

Specific Automated Ordering System Requirements:

PPV shall provide to the following Government program management offices, at no additional cost to the Government; appropriate hardware and software applications listed above in this section, (excluding the hand-held units), and shall ensure **read-only access to** appropriate management offices of the Agency ordering sites **below**.

NOTE: Only VA NAC and PBM will have access to participating agencies' records. The Director, along with the C.O.T.R. of the IHS NSSC in Ada Oklahoma shall have access to all of the IHS, Tribal and "638" participating agencies records. Other agencies' Program Management offices will be given access to their respective individual region records.

Department of Veterans Affairs –

1. Program Manager, PPV Team, National Contract Service, VA National Acquisition Center, P.O. Box 76, Hines, IL 60141 (**capable of viewing all ordering sites**)
2. Director, Pharmacy Benefits Management (119), VA National Acquisition Center, Building 37, Room 139, 1st Ave. 1 Block North of 22nd Street, Hines, IL 60141 (**capable of viewing all ordering sites**)

Federal Bureau of Prisons (BOP) –

Chief of Pharmacy, Health Services Division, Federal Bureau of Prisons, 320 1st Street, NW, Washington, DC 20534 (**All participating BOP sites**)

Department Of Health and Human Services –

1. Indian Health Service:

- Director, NSSC, 1005 N. Country Club Road, Ada Oklahoma 74820 (**IHS, tribal & "638" facilities Nationwide) (NSSC located in Heartland Region)**
- Area Pharmacy Officer, Billings Area Indian Health Service, 2900 4th Avenue North, Billings, MT 59103 (**IHS and tribal sites in Northwest Region**)
- Chief Pharmacy Officer, Santa Fe Indian Hospital, 1700 Cerrillos Road, Santa Fe, NM 88340 (**IHS and tribal sites in Southwest Region**).
- Area Pharmacy Officer, Portland Office, 1220 SW Third, Avenue, Room 476, Portland, OR 97204 (**IHS and tribal sites in Northwest Region**).
- Area Pharmacy Officer, Aberdeen Area Indian Health Service, 115 –4th Avenue, Federal Building Aberdeen, SD 57401 (**IHS and tribal sites in Upper Midwest region**).
- Chief Pharmacy Officer, IHS Indian Hospital, Red Lake, MN 56671 (**IHS and tribal sites in upper Midwest Region**)

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I-5 Automated Ordering System (cont.)

Department Of Health and Human Services –

1. Indian Health Service (cont.):

- Area Pharmacy Officer, Phoenix Area IHS, Two Renaissance Square, 40 North Central Avenue, Phoenix, AZ 85004 **(IHS and tribal sites in Southwest Region).**
- Gallup Supply Management Officer, Gallup Supply Service Center, P.O. Box 3090, Gallup, NM 87305 **(IHS and tribal sites in Southwest region)**
- Senior Contracting Officer, Alaska Area Indian Health Service, 250 Gambell Street, Anchorage, AK 99501 **(IHS and tribal sites in Alaska Region).**

2. Food & Drug Administration- HFC, FDA Office of Regional Affairs, Division of Field Science, 5600 Fishers Lane, Rockville MD, 20857. (All participating FDA sites)

3. HHS (SSC), Director, Building 14, Perry Point MD, 21902 (HHS/SCC Perry Point Facility only)

I-6 Installation:

The PPV(s) at no additional cost to the Government shall provide installation of the above cited equipment and software, within the 90-day implementation transition period. The PPV(s) will notify each facility within 14 calendar days prior to installation of the ordering equipment and all installation work must be completed and tested 10 days before the end of the implementation transition period.

I-7 Maintenance and Repair

Emergency service and repair calls shall be made available on an unlimited basis at no additional cost to the Government. The PPV shall restore the automated ordering system equipment to normal and efficient operating condition within 24 hours after notification by the Government that the PPV-furnished equipment (any part of) is not functioning properly. If repair is not feasible, PPV shall replace the PPV-furnished equipment with the same or better equipment. Government ordering facilities shall not be without automated order entry equipment (whether repaired or replaced) for more than 72 hours from the time notice was given to the PPV. The PPV shall not be responsible for any repairs or replacement parts needed because Government employees, as determined by the Government, neglected the equipment, made improper application, maintenance or alteration, or because external factors (i.e. deficiencies in air conditioning, humidity control or electrical power) contributed to the equipment malfunction or damage. Risk of loss remains with the contractor with the exception of repairs necessitated by abuse, neglect, vandalism, or Acts of God.

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I-7 Maintenance and Repair (cont.)

- The Government shall be responsible for furnishing replenishable supplies (i.e., paper, ribbons for printer, etc.).
- Government shall provide phone lines and is responsible for assuming all costs of operating the phone lines.
- Upon completion of the contract term, the PPV shall arrange to pick-up all PPV furnished equipment at no expense to the Government.

I-8 Training:

a. The PPV shall provide, at no additional cost to the Government, orientation and training in the operation of PPV furnished equipment and automated ordering system and process, for a maximum of four (4) using personnel at each customers' ordering facility. Training should be provided on site at each participating customers' facility. However, in the rare instances where the PPV requests that the training be offered somewhere other than the customers' facility, then the location of the off-site training site shall be within a 100 mile radius from the customers' facility.

b. All sites shall be notified fourteen calendar days before the date of their scheduled training. This training shall include actual demonstration and operation of the equipment. Qualified PPV personnel will give this training, after completion of equipment installation and no later than ten calendar days prior to the end of the 90-calendar day transition period. [Note: Along with the final Implementation Plan, the PPV shall also furnish training schedules for sites (see I-3 Implementation Plan & Instructions to Offerors, FAR Clause 52.212-1.)]

c. Training at a minimum shall cover the following:

1. Proper use of order entry devices including computer and hand held units.
2. How to access PPV's inventory status.
3. Order placement process (product inquiry, placement, order edit, printback confirmation etc.)
4. How to maintain ordering system.
5. Downloading price changes.
6. Performing file maintenance.
7. Requesting bar code labels.
8. Download contractually required reports.
9. **Operation of Inventory Management program**
10. Any other commercially available training in use of the equipment or ancillary items.

d. After award, the PPV(s) will be provided a Designated Point of Contact for each participating managing office (see Section 1-5), and each individual participating facility. The PPV shall work with each Agency's managing office to contact each facility to schedule the initial training for each site. PPV will also provide updates or systems changes, and training on these changes as they occur throughout the term of the contract. The designated Point of Contact at each facility will be responsible for assurance that the appropriate personnel to be trained are available.

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I-8 Training (cont):

d. (cont.) A PPV contact person and telephone number shall be provided to each facility in the event additional instruction is necessary. This training will be at no additional cost to the government. The ordering facility shall be responsible for system training when there is a change in ordering personnel during the contract period.

e. The PPV shall be required to provide at no additional cost to the government, one (1) complete set of printed Training Guides or Manuals and System Operating Manuals for all equipment and software furnished by the PPV to each individual ordering facility. The Training Guides or Manuals and System Operating Manuals shall be provided prior to, but no later than, the actual time of training.

BOP Specific Training Requirements:

BOP must approve a Federal Bureau of Prisons Security Clearance Application for each individual employed by the PPV who will be assigned (by the PPV), to provide the required training to BOP personnel. The Security Clearance must be approved by BOP, prior to PPV personnel obtaining access to a BOP facility. The PPV(s) shall work closely with the BOP Designated Point of Contact to notify individual prison wardens, or his/her representative at least 14 calendar days prior to making any site visits to conduct training.

IHS/NSSC/ Ada Oklahoma Specific Training Requirements:

The NSSC shall work closely with the PPV(s) during the implementation period to provide a training schedule of all their satellite facilities. The schedule shall reflect a listing containing all of the customers with scheduled times, locations, point of contracts and facility phone numbers.

I-9 Ordering

- a. Each authorized ordering facility shall be responsible for its own ordering of products/items/units.
- b. All orders will be processed through use of the PPV(s) furnished electronic order entry equipment as specified in Section 1-5. However, PPV agrees to accept phone and or facsimile orders when use of the electronic order entry equipment is unavailable or inoperable, or in the case of an emergency delivery requirement.
- c. Facilities such as Option 2 SVH's, NSSC serviced facilities, and specified designated Tribal "638" facilities which have an affiliation with a Federal IHS facility shall also be responsible for their own ordering of products through the PPV furnished electronic ordering placement equipment, however they shall be required to process all electronic orders thru the Split Screen Ordering System specified below.
- d. All customers shall have access to view the PPVs' corporate databases and their own (PPV established) customer unique database for pricing and product source selection PRIOR to the customer creating and transmitting an order to the PPV. (See Section 1-5, d.3).

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I-9 Ordering (cont):

- e. Orders will be filled on a "fill or kill" basis. No backorders shall be placed under this contract (except for HHS Supply Service Center in Perry Point MD). On each order, whatever can be filled will be filled, what cannot be filled will be canceled from the order. The cancelled items shall be noted on the customers confirmation printback.
- f. In some instances the PPV(s) shall be required to first fill the governments orders before filling their commercial based customers orders. In such required situations, the direction to release the product to the Government's PPV customers first, shall be presented to the PPV(s) with written agreement from the product manufacturer.
- g. Reservation Orders- In order to keep the participating PPV customers on an equal procurement opportunity with the prime vendors commercial customers, the participating customers shall have the opportunity to place a reservation order for a product that is determined to be on a manufacturer's back order. In the ordering process, when an item is "killed" off the customers order due to a MBO, the customer may inform the PPV to reserve and then release the product to them upon its availability. The customer shall be responsible to initiate a separate and distinct reservation procurement order through the PPV's electronic order system for the MBO product. Reservation orders shall not be included in the contracts fill rate calculation. Reservation orders may remain unfilled for a period of not longer than 90 days from the customers initiation before the customer is notified of its cancellation by the PPV, or by an earlier cancellation at the customers request. 90 days is the maximum that a reservation order may remain open. If the order is filled before the 90 days, then the purchase order is closed. For cancellations of reservation order due to the 90 day timeframe, the customer shall have the opportunity to re-issue a new, separate and distinct reservation order for the same product and quantity, without losing their original position on the PPV's availability wait list. The product price charged to the customer for a reservation order, shall be the contract price in effect at the time the order is filled.
- h. The PPV shall take every effort to ship orders complete. When quantity equaling a case is ordered, than a full complete case is expected versus a case quantity of loose items.

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1-9 Ordering (cont).

- i. The PPV's customer ordering screen shall contain and not be limited to, the following fields
 - Ordering Agency's name and PV assigned account number
 - Product /Item/Unit Name
 - Product/Item/Unit Number as assigned by ordering facility (where available)
 - PPV's Product/Item/Unit Number
 - Generic Name
 - Product/Item/Unit Description
 - Strength, Package size, Manufacturer
 - National Drug Code (NDC) for applicable pharmaceutical products
 - Universal Product Number (UPN) - applies to healthcare products
 - Universal Product Code (UPC)
 - Product/Item/Unit denoted as a CII Control Schedule (where applicable)
 - Established DEA number (where applicable)
 - Established HIN number (where applicable)
 - Product/Item/Unit Government Contract Number (FSS, National, or Miscellaneous)
(Minimum of the Governments Contract last 5 digits)
 - Type of contract – contract identification or code that identifies product/item/unit as FSS (F), National (N), Miscellaneous other government (M) contracts or open market (O). (See Reports I-25(B)3, CNTLD
 - Product/Item/Unit Contract price (specific to the pricing and contract eligibility of each customer).
 - Product/Item/Unit Bioequivalency Rating
 - Customer Delivery Zone (CMOP and HHS/SCC applicable)
 - Product/Item/Unit denoted as available as a Drop Shipment.
 - Product/Item/Unit denoted as available as a Pass-Thru Shipment.
 - Product/Item/unit denoted as unavailable due to MBO, PV Out of Stock, Lockout Procedures or Allocation situations.
 - Automatic Substitution information option
 - Product Inquiry Search option
- j. For all approved pharmaceutical prime vendor electronic orders placed no later than 6:00pm local time at the authorized customers **ordering office**, the PPV shall be required to provide next day, (or for some specified facilities, next scheduled delivery day) delivery of a complete order.
- k. All orders processed thru the electronic ordering system shall receive a confirmation printback generated from the PPV system and sent via modem/internet back to the ordering facility. At a minimum, the confirmation printback shall reflect the requirements specified in Section 1- 15 (Confirmation Printback Report) of this solicitation.

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1-9 Ordering (cont).

- l. For Special Orders such as Control Drugs (CII's) and Closed Class Distribution shipments, the orders shall be identified as such on the customers' PPV ordering screen for approval prior to the order being filled/delivered. The PPV shall make all efforts to assign one invoice number to these orders, which shall be reflected on the PPV's confirmation printback and remain with the order throughout the entire procurement/payment cycle. The PPV's confirmation printback shall also reflect the total line item cost of the customer's special order.
- **The customer's electronic automated order request for Schedule II Control Drugs, shall be followed up by the ordering facility, with providing the PPV with a hard copy of DEA Form 222. The PPV's responsibility to release and deliver the customer's Control Drug order under the terms and conditions outlined in this solicitation, commences upon the PPV's receipt of the required DEA Form 222.**
- m. Drug Bioequivalency Rating
The PPV(s) shall show the Food & Drug Administration (FDA) Orange Book therapeutic drug equivalency rating for each drug on each customers primary order screen to enable pharmacists/ordering officials to know the equivalency ratings when making drug product selections. If the PPV plans to use another rating system (such as the Z-Rated system), the PPV must identify and explain the system that will be used and what it means.
- This information must be provided to all ordering officials at the time of the program installation and training. Information regarding the drug bioequivalency rating must also be posted on the "web site" of the PPV for instructions and guidance throughout the term of the contract.
- n. Technical Support – Technical support shall be available to each customer on a daily basis during their full working tour of duty, which in respect of the Pharmaceutical Prime Vendor Program is until 6:00pm local time of the ordering facility. (This excludes Federal Holidays).

Specific Ordering Requirements -

Satellite Facility Split Screen Ordering-

PPV(s) automated ordering system shall be capable of establishing a "Split Screen Ordering" process for the VA's Option 2 SVH's, some OPC's, the RSSC's, the NSSC serviced facilities, along with participating Tribal facilities that have an affiliation with a Federal IHS facility.

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I-9 Ordering (cont.)

Specific Ordering Requirements -

Satellite Facility Split Screen Ordering- (cont.)

Satellite facilities shall be responsible for their own ordering of products/items/units through the PPV furnished electronic ordering placement equipment, however as cited below and elsewhere throughout this solicitation, a satellite facility being serviced by a parent facility, must have their orders relayed through the PPV's split screen system in a manner that uses an ordering system that transmits the satellite's delivery/task order to the satellite's designated ordering/approving office (such as the VA affiliate, a RSSC, IHS, or the NSSC), simultaneously as it is sent to the PPV's distribution center. The satellite facility's order is required to be sent to the parent facility for procurement approval, prior to the PPV releasing the order directly to the satellite facility.

Whenever PPV order requests are initiated by the satellite facilities and transmitted through the PPV's "split order" concept, the following functions shall take place:

1. The satellite facility's order will be sent via modem/internet to the PPV distribution center for acknowledgement of receipt of order and stock allocation, but held in abeyance until approval has been received from the "parent" ordering facility before the order is picked, filled and distributed.
2. Within 30 minutes of the PPV's receipt of the satellite facility's order, a confirmation printback, shall be generated from the PPV and sent via modem/internet back to the satellite facility. The printback at a minimum, shall indicate what items will be "filled or killed" along with the information required in Section 1- 15 (Confirmation Printback Report) of this solicitation. Upon receipt of a printback, the requesting satellite facility will be capable of requesting a substitute product/item/unit and generating a substitute order if needed, through the same electronic split screen ordering processes.
3. The satellite facility's request shall also be sent to the "Parent" ordering facility (VAMC or NSSC or IHS) via modem/internet, to be approved for appropriate funding availability and for the assignment of a final approving purchase order/ delivery order number. The parent facility shall also be able to perform maintenance on the order, i.e., view, edit, add or delete items as needed and approve the order before the PPV begins to fill the order. This process shall be completed entirely via modem/internet. At no time (except when use of the electronic order entry equipment is unavailable or inoperable, or in a case of an emergency delivery requirement), shall hard copy paper documents be faxed to the PPV for orders or acknowledgement.
4. Upon approval by the "Parent" ordering facility, the order shall be transmitted via modem/internet from the "Parent" facility to the PPV which shall be the official authorization for the PPV to fill and release the Satellite facility's order.

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I-9 ORDERING (cont.)

Satellite Facility Split Screen Ordering-(cont)

5. Within 30 minutes from the PPV's receipt of the approved order from the Parent facility, a confirmation printback, shall be generated from the PPV and sent via modem/internet back to the Parent facility which shall, at a minimum, confirm what items will be "filled or killed" along with the information required in Section 1- 15 (Confirmation Printback Report) of this solicitation. Although the confirmation printback may differ from the previously generated confirmation to the satellite facility due to additional items being added or deleted, the contract prices shall remain the same.

6. Before payment can be made to the PPV for any satellite order placed, it shall bear the "Parent" ordering location's correct purchase order/ delivery order number (approval number), as assigned when the order was originally approved by the parent facility.

7. The designated Parent facility shall be responsible for the payment of their satellite's facilities only if the orders:

- a. Have been properly relayed to the designated parent facility through the PPV's split screen ordering system
- b. Were assigned a parent purchase order/delivery task order number (approval number) prior to the delivery release of the order by the PPV, and
- c. Where the parent facility has received a proper/valid PPV invoice.*

* In the event the parent facility receives a PPV invoice that does not reflect the required information, the invoice will be returned to the PPV unpaid, within 7 days of receipt, for correction, proof of authorization to release product, proof of delivery and subsequent resubmittal by PPV of a proper invoice.

Note: In the event that the PPV releases a Satellite request for an order without the direction and approval of their designated ordering/approving office, that order shall be considered to have been released without the Government's authority and the Government shall not be obligated for any payments.

CMOP Specific Ordering Requirements:

1. Each CMOP shall create electronic orders to the PPV using their own proprietary system and the PPV's electronic ordering system and software. Each CMOP order shall be prepared with an identified inventory zone and at a minimum shall reflect:

- The CMOP customer account number.
- The customer's purchase order/delivery order number.
- The NDC numbers for the products/items/ units required.
- The quantity of each product/item unit required.
- The delivery location for each order.

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I-9 ORDERING (cont.)

CMOP Specific Ordering Requirements:

2. Each CMOP order shall transfer electronically to the PPV's ordering system for validation and transmission .
3. In addition to the PPV's acknowledgment of order and the 30 minute submittal of a Confirmation Printback back to the ordering CMOP, the PPV shall be required to:
 - segregate like lot numbers by product/item/unit for efficient CMOP receipt of validation and inventory management
 - separate parcels onto separate pallets by CMOP Zone (as identified on CMOP's original order)
 - create an ASN file to be transmitted to the ordering CMOP, showing the required data elements of the inventory management program. (Such as, but not limited to, delivery zone, lot number, expiration date, package size and product/item/unit identification
 - Upon transmission of the ASN file, the ordering CMOP shall update their proprietary system.
 - Submit PPV invoice that reflects the lot number, expiration date and quantities of each line item.
 - Acknowledge the preferred product ranking order of the ordering CMOP, on each order. CMOP Director and PPV will use this information in an attempt to establish the authority for Automatic Substitution as deemed necessary.

IHS Specific Ordering Requirements:

NSSC, ADA OKLAHOMA:

In addition to the ordering requirements outlined above, the IHS Specific Ordering Requirements for Oklahoma Area Indian Health Service, National Supply Service Center (NSSC) shall consist of :

- a. A PPV furnished electronic ordering system that shall allows a minimum of three individuals to be able to place PPV orders simultaneously.
- b. A PPV furnished complete ordering station that shall consist of a computer, printer, modem and software/hardware as cited throughout the solicitation.
 - Each ordering station shall be able to receive, send, and release individual customer orders without having any effect on each other.
 - Each ordering station shall be able to receive, send, release and print each order individually.
 - Each ordering station shall be able to delete or add to the customer's order once received at the NSSC.

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I-9 ORDERING (cont.)

IHS Specific Ordering Requirements: NSSC, ADA OKLAHOMA:

c. A PPV furnished Spilt Screen Ordering System that shall be established for all customers serviced by the NSSC.

NOTE : The NSSC provides PPV procurement support services to eighty-nine IHS/and or Tribal facilities through the prime vendor program. Fifty-three of those facilities are geographically located within the Heartland Region of this solicitation. The remaining thirty-six facilities are geographically dispersed as follows (See Attachment A for specific locations):

North Region = 5	Southwest Region = 6	Upper Midwest Region = 5
Appalachians Region = 3	Northwest Region = 9	Great Lakes Region = 1
Everglades Region = 4	West Coast Region = 3	

d. A PPV furnished Paperless Invoicing System

e. A PPV furnished electronic ordering system that provides a unique password that shall be assigned to each individual to be identified once the order has been transmitted from the satellite facility to the NSSC. The individual's name, or code shall be attached to the order, and once printed at the NSSC, the name or code, shall be printed at the end of the order transmission.

f. A PPV furnished electronic ordering program that provides a unique electronic signature for receiving each line item on an invoice.

g. A PPV furnished electronic ordering program that provides the technicians receiving product to have a unique password for the signing receipt of an invoice.

NOTE: Offerors are encouraged to make a site visit to the Oklahoma Area IHS Office in Ada, OK. The address is 1005 N. Country Club Road, Ada, Oklahoma 74820. Please contact Ms. Evelyn Cherry (580-436-5000 x 125) to make an appointment.

Other IHS Facilities' Specific Ordering Requirements –

a. PPV(s) shall be capable of establishing a "Split Order" feature for the automated order entry software installed at the following IHS sites and for the IHS, Tribal and "638" customers serviced by them:

- RSSC in Anchorage, Alaska (Region: Alaska);
- NSSC in Ada, Oklahoma (Region: Heartland);
- RSSC in Portland, Oregon (Region: Northwest);
- Phoenix Area IHS in Phoenix, Arizona (Region: Southwest).
- RSSC in Gallup NM (Region: Southwest)

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I-9 ORDERING (cont.)

IHS Specific Ordering Requirements:

Other IHS Facilities' Specific Ordering Requirements –

b. The PPV furnished software program shall be able to process all electronic orders placed by the IHS satellite facilities (either IHS, or Tribal) in a manner as specified above in "Satellite Facility Split Screen Ordering" system requirements. The process then transmits a request for an order to the satellite facility's designated Parent NSSC or RSSC Area Office and simultaneously to the PPV's distribution center.

Tribal "638 Direct" Facilities- Specific Ordering Requirements-

The following specific ordering requirements shall apply to those tribally managed Federally recognized "638 direct" facilities that are that are added to the program via bilateral modification to the contract with the awardee(s):

- a. The PPV shall accept and process electronic orders direct from the eligible facility and shall acknowledge and process the order under the terms and conditions of the resultant contract(s), or under the terms and conditions of the established bilateral modification, where applicable.
- b. Tribal "638 direct" facilities shall be provided all the necessary hardware and software equipment required in Section 1-5 to submit prime vendor orders electronically to the PPV. Orders shall be acknowledged by the PPV through the printback requirements, and delivery and invoicing will be to the "638 direct" tribal site. The distribution fee to be applied to "638 direct" facilities that seek participation in the prime vendor program shall be established through a bilateral modification with an awarded Prime Vendor.

Facilities Located Outside the Continental United States- Specific Ordering Requirements:

In addition to the ordering requirements outlined above, the participating facilities that are geographically located outside the Continental United States shall be placing orders Monday through Friday, and the PPV shall be required to provide delivery no later than 72 hours from receipt of order.

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I-10 Expiration Dating

Expiration dating of all pharmaceutical products/items/units delivered under this program to other than the HHS SCC, Perry Point, and the National Acquisition Center's account(s), shall have a minimum shelf life of **6 months** expiration dating remaining upon delivery to the Government.

Expiration dating of **bulk pharmaceutical** items delivered to the HHS SSC, Perry Point and the National Acquisition Center's account(s) shall have a minimum shelf life of **20 months** upon delivery. All other pharmaceutical items delivered to SSC, Perry Point and the National Acquisition Center's account(s), shall have a minimum shelf life of **12 months** upon delivery.

Product expiration dating of less than specified herein, shall bear the prior approval of the facility's' COTR before release and delivery of the PPV order.

I-11 Automatic Substitution-

An agreement between the PPV and the ordering facility's COTR or POC can be arranged wherein, whenever the customer and PPV encounter a stock outage or MBO against a requested/ordered product/item/unit; a previously agreed upon specific alternate product/item/unit shall be automatically substituted by the PPV. In instances where the PPV uses the Automatic Substitution process; the ordering facility must be notified of the substitution and the substituted item must be annotated as such on the customer's confirmation printback. Once such an agreement is entered into between the PPV and the individual ordering facility, the PPV shall be required to maintain an adequate supply of the alternate product/item/unit. The Government makes no commitment to buy the alternate item and any order consisting of alternate items shall still require the prior approval of the customer. Automatic Substitution by the PPV without the customers prior approval is prohibited.

I- 12 Lock Out Procedures

- a. The Department of Veterans Affairs (VA) has awarded and will continue to award numerous National Standardization Contracts for specified Pharmaceutical and Med/Surg products during the course of this PPV contract. National Standardization Contracts are committed use, mandatory source contracts for VA facilities. OGA's are restricted access to National Standardization contracts unless a formal commitment is made between the OGA, VA and the National Standardization Contractor.
- b. A list of OGA's that have committed to the use of National Standardization Contract(s) will be provided to the PPV(s) upon award of the PPV contract(s). During the contract period, the VA NAC will provide written notification when an OGA has committed to use a National Standardization Contract. For all facilities participating in the National Standardization Contract Program, the PPV shall apply the guidelines required throughout this solicitation.

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I-12 Lockout Procedures (cont.)

- c. Attachment D is a listing of current National Standardization contracts, and notes which items are subject to lock out.
- d. Upon the effective date of a new National Standardization Contract item, the PPV(s) shall make the specified Standardization item(s) available, and lock out the ordering facilities' ability to purchase any other manufacturer's equivalent items. Lock out mechanisms shall be made for all package sizes with the exception of unit dose package type. Exceptions are shown below in paragraph "e".
The VA NAC will notify the PPV(s) of new National Standardization contract awards, and include identification of which ordering facilities are allowed to place orders under the contracts. All National Standardization Contract items shall be clearly designated as such on the customer's PPV automated order entry system inquiry/order entry screen.
- e. Although all National Standardization Contract items are mandatory source items for all VA's and those OGA's that have been identified as committed to the program, there will be instances when a facility will need to procure an alternative source product. A description of these circumstances are shown below. When an ordering facility attempts to order an alternate product, and the following exceptions can be legitimately allowed, the automated order system must permit the user to manually override the lock out program and select one of the exceptions before continuing the ordering process. The exception information must be captured in the PPV automated order system so that the data is included in the procurement history and related reports (see section I-28 for report requirements).
 - 1. PPV Stock Outage –The PPV shall provide electronic notification weekly to the VA NAC if a National Standardization Contract product is out of stock due to or related to circumstances involving the PPV's distribution and inventory operations. PPV will provide notification via use of an electronic purchase history management system (see Reports section).
 - 2. MBO –The PPV shall provide electronic notification weekly to the VA NAC if a National Standardization Contract product is out of stock indicating it is due to manufacturer back order. PPV will provide notification via use of an electronic purchase history management system (see Section I-28 Reports).
 - 3. Continuous Patient Care Exception - A facility may request a one-time deviation from the National Standardization Contract item to meet the needs of a patient.

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I-12 Lockout Procedures (cont.)

e. (cont.)

4. National Standardization Contract Waiver - A VA facility may receive a waiver from the PBM for a National Standardization Contract item. In these instances, the VA NAC will notify the PPV of this exception, and the PPV shall modify its software to allow the facility to order a product other than the National Standardization Contract item. Other Government Agencies (OGA) may receive a waiver from their respective agencies. In these instances the VA NAC will notify the PPV of this exception, and the PPV shall modify its software to allow the facility to order a product other than the National Standardization Contract item.

- f. National Standardization Contracts that are identified by the VA NAC as not consisting of therapeutically equivalent products shall not be locked out, unless the PPV is notified by the VA NAC.

I-13 Manufacturer Back Orders (MBO's)

- a. Facilities shall be notified on the PPV's confirmation printback report (I-15) of any manufacturer back ordered item. The PPV shall also notify the VANAC C. O. of MBO's.
- b. The Government retains the right to investigate the backorder situation to determine the cause and responsibility of the backorder and to assist the PPV(s) and the participating customers during the MBO period.
- c. Since National Standardization Contracted items are a mandatory source selection for all VAMC's and for some OGA's, the VANAC National Standardization Contracting Officer may notify the PPV(s) of an agreement made between the National Standardization Contractor and the Government to acquire the same or similar items from another source. This may be done in lieu of breach of contract or termination for cause to the National Standardization Contractor, while holding the National Standardization Contractor responsible for any excess product procurement costs incurred by a participating PPV customer due to a MBO.
- d. Credits due to the PPV customers based on excess product procurement costs caused by a MBO, shall be routed from the National Standardization Contractor through the PPV, back to the participating PPV customer in accordance with the Credits and Rebills section of this solicitation.

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1-14 Stock Outages- Cancellations/Back Orders (Other than MBO's)

- a. PPV Stock outages due to cancellations/backorders by the PPV, on products that have met the prerequisites (Fill Rate Section 1-16, paragraphs a. through d.) of the fill rate formula, shall be included in the service level calculation of the fill-rate.
- b. PPV Stock outages due to cancellations/back orders by the PPV shall be considered a failure to perform by the PPV, and may be considered grounds for Termination for Cause.
- c. A failure by the PPV to provide products/items/units due to a PPV stock outage or cancellation or back order on products that have met the prerequisites (Fill Rate Section 1-16, paragraphs a through d) of the fill rate formula, shall free the requesting ordering facility to acquire the same or similar items from another source without breaching/violating the PPV contract, while holding the PPV responsible for any excess product procurement costs incurred by a participating PPV customer due to the PPV's stock outage.
- d. Credits due to the PPV customers based on excess product procurement costs caused by a PPV stock outage, cancellation/backorder, shall be routed from the PPV, back to the participating PPV customer in accordance with the Credits Section (I-27) of this solicitation.

I-15 Confirmation Printback Report

a. A confirmation shall be printed back (hence- confirmation printback) to the ordering facility within half an hour of transmission of an order from the participating PPV Government facility to the PPV. A confirmation relating to a customers request for a drop shipment or pass through order, shall be printed back to the ordering facility within 24 hours of either the electronic transmission, or phone order to the PPV. The confirmation printback shall appear on the customers ordering screen and shall have the capability to be printed as a hard copy, as well as be obtained from the report module.

The confirmation printback shall reflect the correct product price to be charged the customer at the time the order is placed. Applicable incentive or discount prices shall be shown as the correct product price. The awarded Distribution Fee shall be imbedded in the correct product price. A confirmation printback for a drop shipment or pass through order, shall also reflect the expected product suppliers delivery time, along with any other special terms and conditions required by the product supplier.

b. At a minimum, the confirmation printback provided by the PPV shall reflect the following information:

- PPV name and address and PPV "bill to" address
- The Government ordering facility's name and ship to address
- The Government ordering facility's PPV assigned account number
- The Government ordering facility's Purchase order/Delivery order number
 - This would be the final, approved purchase order/Delivery order number assigned by Parent facility if order was initiated by a Satellite Government facility.

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I-15 Confirmation Printback Report

b. (cont).

- Confirmation printback report date and time.
- Product/Item/Unit Description for each item ordered
- NDC, UPN, UPC, or appropriate product number (non-pharmaceutical items) listed for each item ordered;
- PPV established product number for each product/item/unit ordered
- Product/Item/Unit Number as assigned by ordering facility (where available)
- Quantity requested and availability confirmed for each product/item/unit ordered
- Accurate unit price confirmed for each product/item/unit ordered
- Accurate extended price of each line item, reflecting PPV distribution fee (imbedded in each contract product/item/unit price).
- Identification of, and reason(s) why product/item/unit is unavailable, such as MBO's, PPV stock outages, product deletions, or manufacturer or PPV allocations, (Codes are acceptable).
- Confirmed grand total of the order
- Indication of what requested product/items/units are special order or require a drop shipment or pass-through process.
- PPV's assigned paperless invoice number
- Invoice.dat; data file information (required for Drug Accountability.) VA Drug Accountability Programmer is Mr. Dave Blocker, Birmingham CIOFO, 205-943-2319

I-16 Fill Rate

The PPV(s) shall provide next-day delivery (or next scheduled delivery day as specified) with a minimum 97% fill-rate as defined below in the service level calculation. The fill rate will be individually calculated on a daily basis for each facility's accounts serviced by the PPV. Failure to meet the fill-rate for the participating customers next-day or next scheduled day delivery, will be officially recorded as part of the PPV's contract performance; which is available for public review; and may also be considered as grounds for Termination for Cause.

$$\text{Service Level Calculation/ Fill Rate} = \frac{\text{Units (Items) Delivered}}{\text{Units (Items) Ordered (- MBO Units*)}}$$

*In order for the PPV(s) to include an MBO Unit in the above Service level Calculation an MBO Unit must be equal to or greater than the number of units ordered on the customers' order. And in addition, the PPV(s) must be able to (when requested) provide documentation to the Government that they have attempted to maintain product availability from the manufacturer. The supporting documentation requested by the Government could include but is not be limited to, documentation that supports the existence of an outstanding purchase order between the PPV and the product manufacturer/supplier for the requested units/items. In order for the PPV(s) to include an MBO Unit in the above Service Level Calculation the outstanding purchase order between the PPV(s) and the product supplier shall have been in existence for no less than three calendar days prior to the customers request.

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I-16 Fill Rate (cont).

The following are prerequisites to the application of the Service Level Calculation/Fill-Rate :

- a. Using facility shall provide PPV usage information as soon as possible after award. The initial 90 calendar days from start-up of each individual institution will be exempt from the calculation. If an award is made to the incumbent PPV, the exception of 90 days does not apply. After 90 days the PPV is responsible for tracking use and adjusting their inventories to assure the 97% fill rate.
- b. Products/Items/Units, ordered by a facility whose usage data has not been provided will be excluded from service level calculation, for a period of 90 days from PPV's notification of such usage.
- c. Product quantities of the most recent month in question that exceeds the prior 30-day usage by 150% will be exempt from the calculation.
- d. Open Market items are not to be included in the fill rate calculation.

I-17 Recalls:

If any product distributed under this contract is recalled or removed by the manufacturer, or if a recall is suggested or mandated by a regulatory or official Agency, the PPV(s) shall be responsible for taking the following actions:

- Immediately upon receiving notice of the recall, the PPV shall notify all customers receiving distribution of the product under this contract under the most expeditious manner.
- Expeditiously notify the following management offices of the Department of Veterans Affairs –
 - Program Manager, PPV Team, National Contract Service, VA National Acquisition Center, P.O. Box 76, Hines, IL 60141.
Fax –708-786-5221
E-Mail= German.Arcibal@med.va.gov
 - Pharmacy Benefits Management (119), VA National Acquisition Center, Building 37, Room 139, 1st Avenue 1 Block North of 22nd Street, Hines, IL 60141.
Fax= 708-786-7891
E-Mail= Tom.Borysek@med.va.gov

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I-17 Recalls: (cont).

- The recall notifications shall include the following information at a minimum:
 - (1) Complete item description, (w/product number & lot number) and/or identification
 - (2) Contract and Delivery Order number
 - (3) Reason for recall
 - (4) Disposition Instructions. If a direct recall is issued, the PV shall include the manufacturer's disposition instructions.
- The notifications which may be sent via fax, e-mail, or electronic ordering system, shall be separate and independent from any other correspondence such as invoices.
- The PPV shall issue replacement product or credit for any product recalled. The customer shall have the option of accepting either replacement product or credit in exchange for the recalled product. Any replacement or account credit shall be made in accordance with the delivery terms required by this solicitation.

I-18 Delivery

- a. Routine delivery for all sites, (**except** CMOP's, the HHS/SSC Perry Point, the NAC accounts, and participating facilities outside the Continental United States), is required daily, Monday through Friday, to the delivery point(s) established by the facility's Contracting Officer's Technical Representative (COTR). PPV shall provide next-day or next scheduled delivery day for all orders placed by 6:00pm local time from the customers ordering office. Delivery shall be between the hours of 8:00am and 4:00pm (customers local time). Multiple delivery sites may be required at some of the facilities. Customers shall be able to place PPV orders Monday through Saturday. PPV orders placed on Friday or Saturday shall require delivery on the following Monday.
- b. When necessary to fulfill the requirements of the customer's product needs based on their history of usage, and to prevent product outages that may endanger the patients they serve, the PPV shall be required to establish the use of alternate PPV Distribution Center(s) for each ordering facility. The use of an alternate Distribution Center by the PPV shall be at no additional cost to the Government and shall be seamless to the customers ordering, delivery and payment process established under this contract.
- c. Bulky items may be drop shipped when mutually agreed upon between the PPV, the participating customer and the product manufacturer, and must be annotated on the customers confirmation printback. The awarded PPV distribution fee shall be applied to these orders.
- d. Delivery orders that include products/items/units classified as "controlled drugs" shall have those items packaged separate from the rest of the delivery order and shall also be packaged in accordance with DEA requirements.

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I-18 Delivery (cont):

- e. Delivery inspection and acceptance shall be performed in accordance with FAR 52.212-4(a). The Government will witness products received at the loading dock (or specified delivery location) and sign delivery receipt documents before the PPV driver departs. This witnessing of products received in no way waives the Government's rights under FAR clause 52.212-4(a) Inspection and Acceptance.
- f. Drop Shipments- The PPV(s) shall act as a conduit to expedite and simplify the ordering of, and payment of Drop Ship delivery of products.
 1. A drop shipment order shall be identified on the customers ordering screen for approval by the customer prior to the order being picked/filled/delivered. The customers confirmation printback shall also confirm the item as being drop shipped. Unless approved by the customer, drop shipments directly from product suppliers for recurring products are prohibited.
 2. For a customers Drop Shipment request that is initiated with the PPV either through their electronic ordering system, (or by phone or fax if required by the PPV), the PPV shall be responsible on behalf of the customer to place a direct delivery order (drop shipment) from the product supplier (manufacturer).
 - a. The PPV shall then, within 24 hours provide the customer a confirmation printback regarding the product suppliers expected delivery date, and product pricing, along with reflecting the following minimum information:
 - PPV name and address and PPV "bill to" address
 - The Government ordering facility's name and ship to address
 - The Government ordering facility's PPV assigned account number
 - The Government ordering facility's Purchase order/Delivery order number
 - This would be the final, approved purchase order/Delivery order number assigned by Parent facility if order was initiated by a Satellite Government facility.
 - Confirmation printback report date and time.
 - NDC, UPN, UPC, or appropriate product number (non-pharmaceutical items) listed for each item ordered;
 - Product/Item/Unit Number as assigned by ordering facility (where available)
 - Quantity requested and availability confirmed for each product/item/unit ordered
 - Accurate unit price confirmed for each product/item/unit ordered
 - Accurate extended price of each line item, reflecting the PPV negative distribution fee (imbedded in each contract product/item/unit price).
 - Confirmed grand total of the order
 - PPV's assigned paperless invoice number
 - Invoice.dat; data file information (required for Drug Accountability.) VA Drug Accountability Programmer is Mr. Dave Blocker, Birmingham CIOFO, 205-943-2319

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I-18 Delivery (cont.)

3. When a drop shipment method is required by the PPV to meet the fill rate requirements of the facility for contract products that are not in stock due to a failure by the PPV, then the PPV shall be responsible to provide the order in accordance with the terms of the PPV contract. Drop shipments shall be annotated on the customers confirmation printback and the awarded negative PPV distribution fee shall be applied to the order. The invoice for the drop shipment shall be submitted by the PPV in accordance with the terms of this contract.
4. When a drop shipment method is required by the PPV to meet a facility's request for a quantity of contract products that do not meet the prerequisites of products calculated in the required service level (fill rate) formula, and the quantity requested exceeds the PPV's stock, the PPV remains responsible to accept the Government order. On behalf of the ordering customer the PPV shall place a direct delivery order (drop shipment) from the product supplier (manufacturer), and shall then, within 24 hours provide the customer a confirmation printback regarding the product suppliers expected delivery date, and product pricing, along with reflecting the information cited in 2.f above. However, next day, or next scheduled day delivery requirements of this contract do not apply to a drop shipment order performed under this scenario.
5. Upon acceptance by the PPV to use a drop shipment method of delivery to fulfill the customers request for open market products/items/units, accessible from the PV commercial product availability, the PPV shall be responsible to provide the order. In addition, the PPV hereby agrees that the ordering, payment and reporting terms of this solicitation and any resultant contract(s) shall apply to the accepted order, as will the awarded negative distribution fee. The drop shipment for the open market product/item/unit must be annotated on the customers confirmation printback. The PPV shall also take all efforts to inform the ordering facility of the product suppliers terms and conditions at the time of the facility's' order. Invoice for the drop shipment of open market product/items/units shall be submitted by the PPV in accordance with the terms of this contract.

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I-18 Delivery (cont.)

- g. When the PPV is notified by the customer of a "Pass Through Delivery" being made by the product manufacturer to the ordering customer, the PPV shall be responsible for invoicing the customer in accordance with the terms of this contract. The PPV shall be notified by the product supplier of the terms and conditions (products, Govt. pricing, expected delivery etc.) of the customers order, and the PPV shall create the PPV invoice based on the information provided by the supplier. The PPV is responsible for submitting the invoice as quickly as possible to the customer once all the information is acquired from the product supplier. The awarded negative distribution fee shall apply to Pass Through Deliveries.

Note: When the PPV is made aware of such information, the PPV ordering system should denote what products are only available as Pass Through Deliveries.

- h. PPV(s) shall be responsible to report "dropped shipped," Open Market and Pass Through items itemized by line item as specified in the applicable reports listed in Section I-28.
- i. Environmental Considerations- Where possible the PPV, while ensuring the safe and proper distribution of the items ordered under this program, shall use appropriate packing materials that have the least impact on the environment when manufactured or disposed. For example, brown cardboard is preferred over cardboard, which has been bleached white and or dyed. Packing or shipping materials which decompose or can be recycled, are preferred over recycle only products.

CMOP and National Acquisition Center's (NAC) Account(s) Specific Delivery Requirements:

- a. Delivery is required next day and the PPV shall ship items **six** days a week (Monday through Saturday) to the CMOP and NAC's delivery point(s) shown in Attachment A. Delivery shall be made between the hours of **6:00am and 8:00am**, unless other agreements are made between the individual CMOP's and the NAC accounts and the PPV. (VA NAC Contracting Officer shall be notified by the PPV about special delivery agreements made between the CMOP's and the NAC accounts and the PPV's Distribution Center Manager.) CMOP's and the NAC accounts shall be able to place orders six days a week (Monday through Saturday). Orders placed on Friday are required to be delivered on Saturday and orders placed on Saturday are required to be delivered on the following Monday.

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I-18 Delivery (cont.)

CMOP and National Acquisition Center's (NAC) Account(s) Specific Delivery Requirements (cont.)

- Each tote and/or box delivered shall be bar-coded to be received for a VA defined dispensing zone.
- Each line item within the tote/box shall be electronically viewable as a portion of the invoice.
- When a discrepancy is acknowledged, a resolving credit memo/invoice is generated.
- Credit memos may be applied to the current invoice.
- Inventory is updated with number of packages, number of units, lot numbers and expiration dates.

HHS/SSC. Specific Delivery Requirements:

Delivery is required next day Monday through Friday to the HHS/SSC delivery point shown in Attachment B. Delivery shall be made between the hours of 8:00 a.m. and 4:30 p.m. (local delivery location, time), unless another agreement is made between the Director, HHS/SSC, and the PPV. (VA Contracting Officer shall be notified by the PPV about special delivery agreements made between the Director, HHS/SSC and the PPV's Distribution Center Manager.) The HHS/SSC facility shall be able to place orders Monday through Saturday. Next-day delivery is required for all items in accordance with timeframes outlined. Orders placed on Friday or Saturday are required to be delivered on the following Monday.

Tribal "638 Direct" Facilities- Specific Delivery Requirements-

The following specific ordering requirements shall apply to tribally managed Federally recognized "638 direct" facilities that are added to the program via bilateral modification to the contract with a Prime Vendor awardee:

- For those Federally recognized "638" direct facilities that may be determined to be geographically remote from the rest of the PPV customers residing in the awarded region, the "638 direct" facility shall have access to place orders Monday through Friday, and the PPV shall be required to provide delivery no later than 72 hours from receipt of order. Delivery for all other "638 direct" facilities shall be accomplished in accordance with the terms and conditions set forth in the solicitation.

Facilities Located Outside the Continental United States- Specific Delivery Requirements:

All participating facilities that are geographically located outside the Continental United States shall be placing orders Monday through Friday, and the PPV shall be required to provide delivery no later than 72 hours from receipt of order.

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I-19 Emergency Delivery

Deliveries cited as an emergency shall be delivered within **12 hours** (36 hours for those facilities located outside the Continental United States) of receipt of order by the PPV, 24 hours per day, seven days a week.

When required by the needs of the participating facility, the PPV shall provide three such emergency deliveries per calendar month at no additional transportation/handling expense to the facility. Any more than three emergency deliveries requested by the ordering facility in a calendar month, shall be processed by the PPV in accordance with the emergency delivery time and terms and conditions of the contract established herein, but prior to the release of the emergency delivery, the PPV may notify the customer that applicable transportation and handling costs will be applied to the customers order. Emergency orders can be placed with the PPV via fax or telephone. At a minimum, when the order is from a satellite facility, the PPV shall obtain verbal approval and be in receipt of an approval number, from the satellite facility's approving office prior to releasing an emergency order. The PPV shall then, within 24 hours, enter the faxed or phoned-in emergency order into the PPV ordering system for subsequent processing through the electronic ordering system. Emergency orders entered into the system by the PPV shall be clearly designated as such, as to avoid duplication of receipt of goods for which there will be no Government obligation for payment. Purchasing data shall be captured in the PPV's history files which are furnished in the required reports. (See section I-28). The PPV shall be responsible to notify the NAC Contracting Officer of any facility's consistent need for emergency deliveries.

Upon notice of award, the PPV will be required to provide the COTR or designated POC of each facility, the name, telephone number, and/or pager number of the PPV representative responsible for providing the emergency service.

I-20 Paperless Invoice System-

The PPV shall furnish a paperless invoice feature on their electronic ordering system which provides each customer a correct and complete invoice based on the PPV's confirmation printback report (which shall be based on the customers order), along with the actual receipt of product(s).

In addition to the printback confirmation information, the Electronic invoice shall also reflect the actual lot numbers, expiration dates, and customers delivery zones (where applicable) of the products released under the customers order.

The Electronic invoice shall also reflect any PPV initiated changes made prior to actual delivery.

And must meet the terms and conditions set forth in the payment requirements of the solicitation in order to be considered a proper invoice submitted by the PPV for payment by the Government.

The PPV's paperless invoice must also have the capability to be printed (hard copy) by the customer.

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I- 21 Returns Goods Policy

a. The PPV(s) shall be responsible for accepting customer returns in accordance with applicable laws, regulations, and normal business practices for credit at no charge to the facility for conditions 1 through 4 below. Returned products shall be credited to the individual ordering facility's account. The conditions are as follows:

1. Products shipped through the PPV program in error (i.e. incorrect item, price, or quantity)
2. Products received through the PPV program with visible or concealed damages;
3. Recalled products, regardless of level of recall;
4. Products received through the PPV program that have less than six months (or the 12 and 20 months, as required by HHS/SSC, Perry Point, MD) shelf life dating at the time of receipt from the PPV, unless otherwise authorized by the COTR.

b. Once the PPV is notified by the customer of a product return as a result of any of the conditions outlined in items 1 through 4 above, the PPV shall arrange that the return be accomplished no later than two scheduled delivery days later. The customer shall be responsible for the safe keeping, proper storage and proper handling of the product until the return is picked-up.

c. If a PPV receives a sales-volume-based allowance from an FSS or National contractor, which is paid in lieu of out-of-date returned goods credits, then the PPV contractor shall allocate a pro rata portion of that allowance to every covered PPV ordering activity that purchased and returned the manufacturer's products during the relevant allowance period. A reasonable administrative fee, not to exceed one quarter of 1% of the allocable allowance, may be charged by the PPV contractor to the individual customer for its distribution of returned goods allowance. This requirement is not meant to suggest any obligation on the PPV to accept outdated stock, but rather it is to provide the benefit of blanket return allowances to Government ordering activities.

d. Currently, the VA has a separate established contract for the return of products that are outside the parameters of the conditions outlined in items 1 through 4 above. The credits under the established Return Goods Contract shall be accessible to the customers through the PPV contract.

e. However whenever the PPV accepts a customers return for products purchased from the PPV, that are outside the parameters of the conditions outline in items 1 through 4 above (such as customer ordering error) , the PPV shall perform such return in accordance with the standard industry practice:

- For returned products stocked by the prime vendor, the products shall be returned to inventory at no additional charge to the customer.
- For special order products requiring return to the manufacturer by the prime vendor, the customer will pay the fee charged by the product supplier to its customers for returned goods.

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I-22 Federal Government Holidays

Alternate delivery schedules may be required for the Government holidays listed below. The COTR for each ordering activity is responsible for specifying alternate delivery dates in writing to the PPV no later than the end of the 90-day implementation/transition period.

New Year's Day	January 1
Martin Luther King's Birthday	3 rd Monday in January
President's Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1 st Monday in September
Columbus Day	2 nd Monday in October
Veterans Day	November 11 th
Thanksgiving Day	4 th Thursday in November
Christmas Day	December 25

When one of the holidays falls on a Sunday, the following Monday will be observed as a legal holiday. When a holiday falls on a Saturday, the preceding Friday is observed by U.S. Government agencies.

There may be a few additional American Indian or Alaska Native Holidays wherein an IHS facility may not be available to accept deliveries. The COTR's or POC at those IHS facilities shall notify the PPV in writing of those holidays and their specified alternate delivery dates no later than the end of the 90 day transition period.

The PPV(s) shall be responsible to notify each facility 7 calendar days prior to any delivery day changes imposed by the PPV due to a planned inventory shut down, etc.

I-23 Price Loading

NOTE: THE VANAC SHALL AUTHORIZE ALL PRICE CHANGES MADE BY THE PPV(S) TO ANY FSS AND NATIONAL CONTRACT COVERED UNDER THIS PROGRAM. ONLY THE VANAC HAS THE AUTHORITY TO INSTRUCT THE PPV(S) OF A CHANGE IN PRICE IN THE PPV ORDERING SYSTEM. IN THE EVENT THAT THE PPV MAKES ANY PRICE CHANGES AT THE DIRECTION OF ANY PERSON OTHER THAN THE VANAC, THAT CHANGE SHALL BE CONSIDERED TO HAVE BEEN MADE WITHOUT AUTHORITY AND NO ADJUSTMENT IN PRICE SHALL BE MADE UNDER THE CONTRACT TO COVER ANY INCREASE IN CHARGES INCURRED BY THE PPV AS A RESULT THEREOF.

PPV changes shall only be made under the direction of the PPV representative designated in the clause "Contact for Contract Pricing" Part IV of the solicitation.

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I-23 Price Loading (cont.)

1. Any notice received from a manufacturer or participating customer of price changes for items on VA NAC contracts shall be forwarded to the NAC VA Contracting Officer for validation. Manufacturer or participating customer issued notifications of price changes shall **not** be used by the PPV to change VA NAC contract prices.
2. The PPV(s) shall be responsible to monitor the VA's PBM website to obtain daily electronic pricing updates. The PPV(s) shall electronically load all contract actions including price changes, product additions/deletions, contract extensions, and contract expirations by 6:00am Eastern Time (ET) of the effective date of the change.
3. Updates pertaining to miscellaneous contracts that are currently not reflected on the PBM website shall be faxed or e-mailed to the PPV(s) from the VANAC.
4. The PPV shall be responsible to reflect correct price loading information on each participating customers ordering screen as specified in Section I-5 e. of this solicitation. The PPV ordering screen shall provide information specific to the pricing and contract eligibility of each customer, and shall be available for use by the customer as an inquiry determination even prior to releasing an official delivery/task order to the PPV.
5. Currently, for FSS Contracts **only**, the effective dates of FSS modifications are the first and fifteenth of each month.
 - * Updates approved by the VANAC CO and received by the PPV between the 11th and the 25th, the effective date of the CHANGE (not approval) shall be the 1st of the following month; or
 - * Updates approved by the VANAC CO and received by the PPV between the 26th and the 10th of the following month, the effective date of the CHANGE (not approval) shall be the 15th of the following month.
6. The PPV shall load any and all price updates authorized by the VA NAC, (e.g. quantity discounts, BPA discounts, incentive agreements) for individual ordering sites, regional clusters of medical facilities, or agencies, and it shall be reflected on the customers PPV's screen (whether at an ordering point or inquiry point) through the PPV's automated order system.
7. Occasionally, FSS contract items (covered drugs only) may require a retroactive effective date as required by Public Law 102-585. This legislation prohibits pharmaceutical manufacturers from charging specified Federal entities prices higher than the calculated Federal Ceiling Price (FCP) for certain covered pharmaceutical products.

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I-23 Price Loading (cont.)

8. In accordance with Public Law 102-585, Veterans Health Care Act of 1992, FSS contractors that manufacture "covered drugs", as defined by the Public Law, must recalculate their pricing on an annual basis. These recalculations are due to the VA no later than November 15th, in accordance with the requirements of the Public Law. FSS Contractors are then given the opportunity to update their contract pricing to reflect the approved calculation changes. Pursuant to the Public Law, these changes must go into effect by January 1st of the following calendar year. The VA estimates 12,000 covered drug changes to be made, the majority of which will have price changes during the period of December through January. Due to the large number of pricing changes that must be completed before the end of the calendar year, the update schedule shown above will not apply when forwarding these price changes to the PPV(s). By the end of October each year, the NAC Contracting Office will work with the PPV(s) to establish a time frame of forwarding such Public Law price changes electronically to the PPV(s) for downloading.

9. For Federal Supply Schedule 65, Part I, Section B – Pharmaceuticals under Special Item Number (SIN) 42-2A, will have the need of a dual pricing structure. The dual prices will be separated into

- a) one price available to all VA customers, PHS/IHS customers, and Coast Guard customers – sometimes referred to as the "Big 4", (Note: "Big 4" includes DOD facilities, however DOD facilities are not currently covered under this PPV program) and
- b) one price for OGA's (other government agencies), available to all other Federal customers, such as BOP, and FDA customers, Option 1 State Veteran Homes with established Sharing Agreements, Howard University, etc.

10. The PPV(s) shall be required to load two individual up front prices for certain line items and the responsibility to ensure the appropriate customers receive the appropriate pricing. Public Law pricing is granted to the "Big 4" customers, however, a FSS contractor can extend this pricing to all Government customers.

11. The PPV's awarded distribution fee shall be imbedded in the product price. Since, the Government anticipates a better distribution fee being offered to a customer paying under the alternate FAST PAY program; the Government will notify the PPV via a modification, whenever a participating OGA customer determines to switch over to the FAST PAY method of payment. Such notification shall require the PPV to apply the awarded FAST PAY distribution fee to the customers account. However, if a Fast Pay OGA customer determines not to continue in the Fast Pay program, the PPV shall also be notified via a modification to apply the NET 15 day fee to the OGA customer.

12. The PPV's failure to timely and correctly load VA price reductions in accordance with the requirements outline in this Section (I-23) will require the PPV(s) to reimburse the Government the difference between the price paid and the correct price for each order placed for the affected product from the date the price reduction should have occurred until the date the PPV charged

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I-23 Price Loading (cont.)

the customer the correct price. This amount shall bear simple interest from the date originally paid until repaid. The interest rate shall be the interest rate established by the Secretary of the Treasury as provided in Section 12 of the Contract Disputes Act of 1978 (Public Law 95-563), which is applicable to the period in which the amount was overcharged and then at the rate applicable for each six-month period as fixed by the Secretary until amount is paid. In addition, the Contracting Officer may negotiate additional consideration for excessive errors in billing or excessive delays in corrections or excessive delays in repayment of the overcharges and interest due. Excessive errors in billing may be considered by the Government as grounds for Termination for Cause (See Clause 52.212-4 Contract Terms and Conditions – Commercial Items (m)).

13. Periodic audits of PPV's Government customer accounts receivable may be conducted at the VA's discretion. For pricing reviews/audits conducted by the Pharmacy Benefit Management group, the PPV(s) shall

- be notified in writing of the findings of the PBM audit,
- be required within 60 days to provide to the PBM through the NAC PPV Contracting Officer a written response and determination regarding the audits findings and
- within 90 days of the PPV's initial acknowledgement of the findings of the PBM audit and the PPV's response the NAC PPV Contracting Officer, the PPV shall be responsible to issue credits to the customers affected by the price discrepancies.

Failure by PPV(s) to resolve the pricing discrepancies uncovered by an audit, will cause the matter to be pursued under the Disputes Act of this contract.

I-24 Price Administration

1. PPV shall strictly comply with Section I-23, Price Loading when entering the contract price (new or revised) into the ordering system. The contract price shall remain in effect until

- (a) the contract expires, or
- (b) the NAC VA Contracting Officer notifies the PPV of a price change or the deletion of the item.

2. Any notice received from a manufacturer or participating customer of price changes for items on VA NAC contracts shall be forwarded to the NAC VA Contracting Officer for validation. Manufacturer or participating customer issued notifications of price changes shall **not** be used by the PPV to change VA NAC contract prices.

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I-24 Price Administration (cont).

3. Any contract price(s) applicable to any miscellaneous other government contract made a part of any resultant PPV contract shall remain in effect until

- (a) the contract expires, or
- (b) the user who administers and/or provided the initial contract and pricing information notifies the VA NAC of a price change or a deletion of an item and the VA NAC notifies the PPV of the change.

In no event shall a VA NAC contract be deleted without direction from the VA NAC Contracting Officer, or prices changed for items that are under specific contract.

I-25 Product Additions-

The PPV shall load and make available all NAC authorized product additions in accordance with terms and conditions of this solicitation and its resultant contract(s). Product addition usage requirements shall be provided to the PPV(s) by the customers within 90 days of effective date of product addition. In instances where the PPV(s) show no purchasing activity for a new product addition within the initial six month period, the PPV(s) shall notify the NAC Contracting Officer of the null activity and may request a re-evaluation of the addition of the product to the program.

For Product Additions due to a change in the Manufacturers NDC#, or due to the deletion and replacement of a product by the Manufacturer, or in situations where the PPV is notified that the Government has determined a need to switch its procurement selections to the only available contract priced product; the PPV shall assign the usage history of the original product to the current product addition.

Product additions based on a participating customers request to add a covered product to their usage history, shall be honored by the PPV. The PPV shall inform the customer when the product addition has been completed.

I-26 Rebills, Reclaims or Adbills

Rebills, Reclaims or Adbills" are vehicles used to correct a previous invoice.

1. The PPV shall make price changes only in accordance with paragraph I-23 Price Loading, and I-24 Price Administration. Invoices and payments shall be reviewed for accuracy by both the ordering facility and the PPV within three months of manufacturer's notice of charge back denial. The PPV shall not issue Rebills, Reclaims, or Adbills after this date, unless approved by the NAC Contracting Officer. All rebills, reclaims, and adbills, shall be clearly identified as such, and shall reference the original Purchase Order or Delivery/Task Order number (as assigned by the Parent facility in the instances when the order was requested by a Satellite facility), the original PPV invoice number, original order date, an itemized listing of the product(s) affected, any credit memo associated with the rebill, reclaim or Adbill, involved, the reason(s) for the Rebill, Reclaim or Adbill and the effective date of the price change.

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I-26 Rebills, Reclaims or Adbills(cont).

2. All Rebills, Reclaims, or Adbills, shall reflect the net difference due, after any original credited amount has been applied.
3. Rebills, Reclaims, or Adbills shall be made available to each customer (excluding those IHS and tribal customers serviced by the NSSC) on-line, with the option to print a hard copy.
4. All Rebills, Reclaims, or Adbills for the IHS and tribal customers serviced by the NSSC in Ada Oklahoma, shall be available only to the NSSC, Ada Oklahoma location.

I-27 Credit Accounts

1. PPV(s) shall create credit accounts for each Government ordering office participating under this contract.
2. Credit Accounts shall contain credits for, product returns, shorts, discounts from manufacturers, debits, volume discounts, tiered discounts, rebates, FSS BPA discounts, allowances in lieu of returns, etc. Each credit given shall be clearly identified as such, and shall reflect the original purchase order/delivery task order number, (as assigned by the Parent facility in the instances when the order was requested by a Satellite facility), the original PPV invoice number, original order date, an itemized listing of the product(s) affected, any rebill associated with the credit, and the reason(s) for the credit (i.e. manufacturer credit, merchandise return, BPA program name, etc.).
3. Credits must be issued timely and all credits issued shall reflect the net credit amount available to the customer.
4. The PPV(s) shall credit all credits due to a customers credit account on a daily basis, and notify the customer of their credit balance on a monthly basis.
5. A Customers order using the available credit amounts in their credit accounts shall be of sufficient value to expend the accounts' total value against their order. The customer is expected to communicate its order in such a manner as to ensure an efficient processing of such a credit purchase. This transaction is a business matter between the PPV and the customer.
6. The PPV shall take all necessary steps to ensure that credits that become available close to the end of the Governments Fiscal Year (September 30th), are available for use in the customers credit accounts no later than 5 days prior to the end of the fiscal year.

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I-27 Credit Accounts (cont.)

7. All credits issued shall be made available to each customer (excluding those IHS and tribal customers serviced by the NSSC) on-line, with the option to print a hard copy.

8. All credits issued for the IHS and tribal customers serviced by the NSSC in Ada Oklahoma, shall be available only to the NSSC. For all IHS and Tribal sites serviced by the NSSC, the individual facilities credit accounts shall be set up with the NSSC, as their parent ordering and payment office. All documentation regarding credits and debits for the sites serviced by the NSSC, shall meet the requirements cited herein and shall be released to the NSSC only and not the individual customers that they service.

9. The PPV is cautioned that credit purchases shall not result in the transmission of an EDI 810 transaction, except for those amounts of any order that are not sufficiently covered by the credit amount.

Note: There may be instances due to Public Law price changes or other price administration adjustments where the Government may require the PPV to submit such identified specific credits under a specific Government established delivery/task order number.

I-28 Reports

All reports listed below shall be available on-line, in real-time, and be available for printing and downloading as an export file (Excel).

- Customers shall be able to print multiple pages simultaneously and to scroll through multiple pages.
- Customers shall be able to access on-line global data and be able to create/customize data into consolidated reports.

PPV(s) shall provide the following reports as listed below. Report formats are provided as a guide, but the fields cited herein shall be shown. The order of the field placements on the individual reports is at the discretion of the PPV. The VA NAC and PBM are the only organizations authorized access to all Agency reports. The Director of the NSSC, shall be given a duplicate of all reporting data that is provided to each IHS and Tribal facility throughout IHS. The Director of the NSSC, is responsible for compiling all IHS and Tribal data and providing the necessary reporting information to IHS headquarters.

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I-28 Reports (cont).

PPV shall provide their standard report package through a Management Information System (MIS) module that is interfaced with the Automated Ordering System, (Transaction Processing System (TPS)) used for placing electronic orders. This MIS module shall be made available to the Director of Pharmacy Service, or designated Point of Contact (POC), located at every facility serviced under the contract and the reports shall be made available at the ordering facility level. All reports outlined below shall be provided in ASCII format. All reports listed below shall be made available on line in real time, to the agencies denoted below. Failure to provide subject reports timely may result in a request for financial consideration and/or impact past performance reports. For reporting purposes, the PPV's automated order system shall include a standard field to denote "business size" for manufacturers, including those manufacturers who hold an FSS contract and/or National contract. This field is not required to appear on the ordering screen of the automated order system. However, the field may be required in reports requested by the Government offices listed below. The Contracting Officer will furnish the PPV the business size status information for all contractors whose products will be distributed through the PV program.

The required standard report packages are as follows:

I-28 (A) Reports for Ordering Facilities	I-28 (B) Reports for VA National Acquisition Center (Contracting Officer) and Program Management Offices	I-28 (C) Reports for Supply Offices and Pharmacy Directors located at each ordering site	I-28 (D) IHS Specific Report Requirements for Indian Health Service, National Supply Service Center, (NSSC) Ada, OK
1. Velocity I	Vendor Contract Supply Problem	Velocity I	Non-Formulary Drug
2. Velocity II	National Contract Compliance	Velocity II	Narcotic Drug Report
3. Usage	Sales Report	Usage	Report 45 –Drug Distributed by Facility Report
4. Contract Compliance	Fill Rate Report (Global)	Narcotic Drug Report	Product Allocations
5. Narcotic Drug Report	Agency Summary Report	Vendor Contract Supply Problem	
6. Fill Rate	Grand Summary	Contractors' Sales Summary	
7. Product Allocations	Contractor Sales Summary Report	Contract Compliance Report	
8.	Product Allocations		
9.	Product Diversion Alert		
10.	CMOP Out of Stock/MBO Report		

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I-28 Reports (cont.)

The standard report packages shall include the following:

Note 1: In addition to NDC's, PPV(s) shall use Universal Product Numbers (UPN's) and Unit Product Codes (UPC's) as unique item number identifications when they are made available by manufacturer.

Note 2: VA NAC and PBM shall have global read only access to ALL reports for ALL participating facilities.

I-28 (A) Reports for Ordering Facilities

1. Velocity Report I -- Items listed in descending order by dollars spent
2. Velocity Report II --Items listed alphabetically by generic description

Fields required for both reports:

a. NDC	h. Cost of product/item/unit
b. UPN	i. Contract type- identification or code that identifies product/item/unit as FSS, National, BPA, Misc. contract, or Open Market Designation.
c. UPC	j. FSS, National, BPA or Misc. Contract number.
d. Generic Description	k. Dollars spent on product/item/unit for specified reporting period.
e. Dosage form	l. Total products/items/units purchased for specified reporting period.
f. Strength	m. Historical movement of product/item/unit from Contract Start up Effective date to end of specified reporting period.
g. Package size/product/item unit	n. Average product/item/unit movement during specified reporting period.

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I-28 Reports (cont.)

I-28 (A) Reports for Ordering Facilities (cont.)

3. Usage Report- Items listed alphabetically by generic description

Fields required:

a. Generic Description	h. Total products/items/units purchased
b. Dosage form	i. Total dollars of products/items/unit purchased
c. Strength	j. Purchase for specified reporting period in units.
d. Package size/order unit	k. Purchase for specified reporting period in dollars.
e. National Drug Code	l. Manufacturer
f. Universal Product Number	m. Summary of Total at end of reports: 1. Cost/order unit 2. FSS, National, BPA or Misc. Contract number or Open Market Designation.
g. Unit Product Code	

4. Contract Compliance Report, Items listed by generic class and alphabetically by generic description with generic class

Fields required:

a. Generic Description	g. Quantity purchased during specified timeframe.
b. Dosage form	h. Dollars purchased during specified timeframe.
c. Strength	i. Cost/order unit
d. Package size/order unit	j. Cost/each dispensed unit
e. FSS, National, BPA, Misc. Govt. contract number or Open Market Designation.	k. Contract type – identification or code that identifies item as FSS, National, BPA or Misc. Govt. contract item
f. Manufacturer	

5. Narcotic Report, Listing of Schedule II and Schedule III narcotic controlled substances sorted alphabetically by generic description

Fields required:

a. Generic Description	h. Product/Item/ Unit Product Code
b. Dosage form	i. Control Schedule
c. Strength	j. Quantity shipped
d. Package size/order unit	k. Invoice Number
e. Cost/order unit	l. Date shipped
f. National Drug Code	m. Manufacturer
g. Universal Product Number	

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I-28 Reports (cont.)**I-28 (A) Reports for Ordering Facilities****6. Fill Rate Report, Daily**

The PPV, within 24 hours after the end of the ordering period (defined as 6:00pm participating customer's local time) shall report daily fill rate activity that transpired at the ordering facility account level. The fill rate information for all days to date in a given specified timeframe shall be accessible within this report. The following are the minimum fields required:

Fields required:

a. FSS, NATIONAL, BPA, MISC. contractor Name	f. Total Product, items/units Ordered
b. Identification of specified reporting period.	g. Total products/units Filled
c. Facility Name	h. PPV Shorts
d. Facility Account Number	i. Shorts due to MBO's
e. Report Date (MM/DD or Month-Day format acceptable)	j. Daily Fill Rate Percentage

7. Product Allocation Report:

Note: A products allocation status must also show on PPV's ordering screen at the time the customers are performing a product inquiry or creating an order for release. A customers confirmation printback, must also annotate that a product is unavailable due to an allocation status.

Fields

a. NDC	h. Package size/product/item unit
b. PPV product number	i. Contract type- identification or code that identifies product/item/unit as FSS, National, BPA, Misc. contract, or Open Market Designation
c. UPN (where available)	j. FSS, National, BPA or Misc. Contract number.
d. UPC (where available)	k. Allocation Start Date
e. Product Description	l. Anticipated Allocation End Date
f. Dosage form	m. Customers Allocation Level
g. Strength	n. Allocation Assigned by: (VA, PPV, MFG)

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I-28 Reports (cont.)**I-28 (B) Reports for VA National Acquisition Center (Contracting Officer) and Program Management Offices**

Global, read-only access to all ordering facilities' account records, whether created by automated order system or manual order system shall be made available to the following Government program management offices. These program offices shall have access only to their respective facilities' records except for the Director of the NSSC, which shall have access to all IHS and Tribal data.

NOTE: VA NAC and PBM are the only organizations authorized to access ALL Agency reports. IHS NSSC, Ada, OK will have access to all IHS and Tribal facility reports.

Department of Veterans Affairs

1. Program Manager, PPV Team, Pharmaceutical Products Division (049A1N2PV), VA National Acquisition Center, P.O. Box 76, Hines, IL 60141 (all ordering sites)
2. Director, Pharmacy Benefits Management (119), National Acquisition Center, Hines IL 60141 (all ordering sites)

Department Of Health and Human Services

1. Director, NSSC, 1005 N. Country Club Road, Ada Oklahoma 74820 (IHS & Tribal & "638 facilities Nationwide)
2. Area Pharmacy Officer, Billings Area Indian Health Service, 2900 4th Avenue North, Billings, MT 59103 (IHS sites in Northwest Region)
3. Chief Pharmacy Officer, Santa Fe Indian Hospital, 1700 Cerrillos Road, Santa Fe, NM 88340 (IHS sites in Southwest Region).
4. Area Pharmacy Officer, Portland Office, 1220 SW Third, Avenue, Room 476, Portland, OR 97204 (IHS and Tribal sites in Northwest region).
5. Area Pharmacy Officer, Aberdeen Area Indian Health Service, 115 -4th Avenue, Federal Building Aberdeen, SD 57401 (IHS site in Upper Midwest region).
6. Chief Pharmacy Officer, IHS Indian Hospital, Red Lake, MN 56671 (IHS sites in upper Midwest Region)
7. Area Pharmacy Officer, Phoenix Area IHS, Two Renaissance Square, 40 North Central Avenue, Phoenix, AZ 85004 (IHS and Tribal sites in Southwest and Northwest Regions).
8. Gallup Supply Management Officer, Gallup Supply Service Center, P.O. Box 3090, Gallup, NM 87305 (IHS sites in Southwest region).
9. Senior Contracting Officer, Alaska Area Indian Health Service, 250 Gambell Street, Anchorage, AK 99501 (IHS and Tribal sites Alaska Region).

Federal Bureau of Prisons (BOP)

Chief of Pharmacy, Health Services Division, Federal Bureau of Prisons, 320 1st Street, NW, Washington, DC 20534 (all participating BOP sites)

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I-28 Reports (cont.)**I-28 (B) Reports for VA National Acquisition Center (Contracting Officer) and Program Management Offices****Department Of Health and Human Services- Cont.****Food & Drug Administration (FDA)**

HFC, FDA Office of Regional Affairs, Division of Field Science, 5600 Fishers Lane, Rockville MD, 20857. (all participating FDA sites)

1. Vendor Contract Supply Problem Report-

PPV shall provide a weekly report identifying any problems it is having with supplies as it affects their performance under the PPV contract. The report shall specifically address manufacturer's backorder situations, pricing, chargebacks, and shipping or delivery problems. The report shall contain, at a minimum, the following:

Code	Character Length	Description	Example
Date	17 N	Calendar Quarter	04/01/04-04/07/04 mm/dd/yy - mm/dd/yy
Cntname	25 Alpha	FSS/National /BPA, Misc. Contractor.	XYZ Laboratories
Cntno	11-15 Alpha Numeric	FSS/National/BPA Contract Number assigned by VA NAC	V797P-1234N
Mfr. Chgback #	11 (Alpha Numeric)	Manufacturer's Contract/Chargeback Number	123XYZ987A
NDC	11	National Drug Code	00008154505
UPC	11	Unit Product Code	23569589752
UPN	8-20 Alpha Numeric variable or 14 numeric fixed	Universal Product Number	+A123BJC5D6E71G or 00391234678906
Generic	64	Generic Description	Amoxapine, 100 MG, Tab, 100s
Status	60	Brief description of issues/problems	Mfg. B/O; product release in 30 days

The status shall clearly state the reason(s) for any stock outage or backorder, and indicate the length of time for replenishment by the manufacturer.

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I-28 Reports (cont.)

I-28 (B) Reports for VA National Acquisition Center (Contracting Officer) and Program Management Offices (cont.):

2. National Contract Compliance Report, Monthly

The PPV shall provide a report identifying facilities that have requested an alternative source product, deviating from the National Mandatory Contract pursuant to one of the exceptions stated in section I-12 (Lockout Procedures). The Contracting Officer shall furnish a listing of Agencies and Agency sites that shall be given access to purchase items under National contracts within 30 days after date of award of a National contract. Such listing shall be updated by the NAC Contracting Officer and made available to the PPV(s) to aid the PPV in updating its customer eligibility files when new National contracts are awarded. The report shall contain at a minimum, the following elements:

Code	Character Length	Description	Example
Date	17	Calendar Quarter	03/01/04-03/31/04
Generic	64	Generic Description	Cimetidine
NDC	11	National Drug Code	00089458201
UPC	11	Unit Product Code	23569589752
UPN	8-20 Alpha Numeric variable or 14 numeric fixed	Universal Product Number	+A123BJC5D6E71G or 00391234678906
Size	3-8 Alpha Numeric variable	Product/item/unit package size	1ml
Purchase	6 Numeric (0 decimal)	Total Units Purchased	5
Cost	8 Numeric (0 decimal)	Unit Contract Price	150.58
Total	11 Numeric (0 decimal)	Total Charge for that line item (excluding distribution fee)	752.90
Cntname	25	FSS/National Contractor	XYZ Laboratories
Cntno	11 – 17 Alpha Numeric	FSS/National Contractor Number assigned by VA NAC	V797P03-NC-1234
Facility	20	Name of Facility	VA Hines, IL
STN	5 – 7 (2-3 Alpha, 3-4 Numeric)	Medical Center Number or facility number	765, 520AY or FP1234
Status	60	Reason Cited for Deviation	Patient experience negative reaction

"Station Number (STN)" is a number used to identify each ordering site. The station number coupled with an Agency code (e.g. VA, BOP, IHS, SVH, FDA) continues to be the unique identification number for each ordering site (e.g. "FP1234", "534VA"). **(Note: BOP has implemented a new station format that consists of 2-3 alpha and 4 numeric character lengths.) See Attachment A for Station Numbers.** Any sites added to the contract after award shall include the facility's station number.

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I-28 Reports (cont.)

I-28 (B) Reports for VA National Acquisition Center (Contracting Officer) and Program Management Offices (cont.):

3. Sales Report, Monthly

The PPV, within 15 calendar days following the end of each month, shall provide on-line, a monthly report of sales for each facility (identified by assigned station number). Report shall show a line item by line item and by product/item/unit cost. Unit cost can be listed by ascending or descending order or by chronological invoice date. The data will be required for each facility covered under the contract.

An on-line aggregate sales report, which identifies purchases made to each Agency and grouped by FSS, National, BPA, BOA, Miscellaneous contracts, and open market products/items/units, shall accompany the itemized sales data. The report shall contain at a minimum, the following fields:

Description	Field Length	Expanded Description	Example
Date	17	Calendar quarter covered by Report	04/01/04 – 04/30/04
STN	5 to 7 Alpha Numeric	Facility Number	695, 520AY or FP1234
NDC	11	National Drug Code	00007463902
UPC	11 Char.	Unit Product Code	25698745689
UPN	8 – 20 Variable Alpha Numeric or 14 Fixed Width Numeric	Universal Product Number	+A123BJC5D6E71G or 00391234678906
Gendesc	64	Generic Description	Ampicillin
Str	10	Product Strength	500mg
Form	3 Alpha	Dosage Form	CAP
Pkg	10	Package Size	1000
Unit Cost	8 Numeric (2 decimal)	Unit Contract Cost (does not include dist. Fee)	314.50
#Units	5 Numeric (0 decimals)	Total Units Purchased	5
TtlCost	11 numeric (2 decimal)	Total Charge for that line item (not including dist. fee)	1572.50

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I-28 Reports (cont.)

I-28 (B) Reports for VA National Acquisition Center (Contracting Officer) and Program Management Offices (Cont.)

3. Sales Report, Monthly (cont.)

Description	Field Length	Expanded Description	Example
CntNo	11-15 Alpha Numeric	FSS/National, BPA, Misc Govt. Contract number or Open Market Designation	V797P-1234k e.g. 578-P2000
CntID	1	FSS, National, miscellaneous other Govt contract or Open Market Designation	F=FSS; N=National; M=Miscellaneous Govt Ctr, O=Open Market.
Mfr. Chgback #	11 Alpha Numeric	Manufacturer's Contract/ Chargeback Number	123XYZ987A
Vendname	25 Characters	Name of Vendor/Contractor	XYZ Labs
PVCnt	11 Alphanumeric	Contract number assigned to Prime Vendor by VA NAC	V797P-9876k
PV Name	25	Name of Prime Vendor	XYZ Distr. Co.
Class	5	VA Classification Number	AMO52
Invoice Number	7 Alpha Numeric	Invoice number	15649yy
Invoice Date	8	Invoice date	MM/DD/YY
Saledate	8	Date of line item sale. If this is a summary of multiple sales during the month, you may use the last day of the month as an indicator format should be MM-DD-YY	MM/DD/YY
Distribution Center Number	7 Alpha Numeric	Identification of PPV distribution center	123NYS9
Distribution Fee	4 Numeric (2 decimal)	Fee charged for distribution (exclusive of any other fees)	1.25
DEA	9 (2 Alpha then 7 Numeric)	Drug Enforcement Agency # (Global) of the ordering facility	AB3361879

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I-28 (B) Reports for VA National Acquisition Center (Contracting Officer) and Program Management Offices (Cont.)

4. Fill Rate Report (Global), Monthly

See I-28 (A)(7) above. This version of the fill rate report shown in I-28(A)(7), shall be a compilation of all Agency ordering sites' information. Therefore, the recipients listed above in the introductory section of I-28 (B) shall only receive fill rate information for their respective Agency or all agencies, in the case of the VANAC Contracting Officer and VA Pharmacy Benefits Management Strategic Health Group, and all IHS agencies and Tribal facilities for the Director of the NSSC. The fill rate shall be calculated daily and reflected in this report. Within 30 calendar days following the end of each month, the information shall be provided in ASCII fixed-width format, on CD ROM, "3-1/2" double-sided, high density diskettes, by electronic mail or EDI, when implemented. The data will be required for each facility covered under the contract.

5. Agency Summary Report, Agency, i.e., VA, BOP, IHS, HHS SSC, etc.

Fields required:

Sales to Agency, year-to-date (e.g. Govt. Fiscal Year 10/1/04 – 9/30/05)

Sales to Agency during specified reporting period

Sales by station number during reporting period

Number of facilities serviced during reporting period

6. Grand Summary Report, – Report to VANAC Only

Fields required:

Grand total report – sales to all agencies during specified reporting period

Total sales to each Agency (e.g. VA, BOP, IHS, etc.) during reporting period

Number of all facilities serviced during reporting period

Number of all facilities, by Agency, serviced during reporting period

7. Contractor's Sales Summary Report – Report to NAC Only

Fields required

a. FSS, National, BPA, BOA, Miscellaneous government contractor's, or Open Market manufacturers name.	e. Summary for each FSS, National or Miscellaneous other government Contractor.
b. Contract number	f. Total dollars purchased, all items under each contract.
c. Total dollars purchased from this contractor under the given contract during previous quarter	g. Total dollars purchased, all open market products/items/units.
d. Summary by Contract Type	h. Grand total of all purchases made from FSS, National or Miscellaneous other Govt. Contractor

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I-28 Reports**I-28 (B) Reports for VA National Acquisition Center (Contracting Officer) and Program Management Offices (Cont.)****8. Product Allocation Report:**

Note: A products allocation status must also show on PPV's ordering screen at the time a customer is performing a product inquiry or creating an order for release. A customers confirmation printback, must also annotate that a product is unavailable due to an allocation status.

Fields

a. NDC	h. Package size/product/item unit
b. PPV product number	i. Contract type- identification or code that identifies product/item/unit as FSS, National, BPA, Misc. contract, or Open Market Designation
c. UPN (where available)	j. FSS, National, BPA or Misc. Contract number.
d. UPC (where available)	k. Allocation Start Date
e. Product Description	l. Anticipated Allocation End Date
f. Dosage form	m. Allocation Level
g. Strength	n. Allocation Assigned by: (VA, PPV, MFG)

9. Product Diversion Alert- Report to NAC ONLY**Notes:**

- The reported information is required as a tool for the PPV and the VANAC Contracting Office, along with product manufacturers to ensure that Pharmaceutical products ordered under Federal Supply Schedule (FSS) contracts are intended solely for the use of authorized ordering activities in carrying out their Federal missions; they are not intended for resale or barter.
- This report shall only be used as an alert to the VANAC Contracting Office, when the PPV has determined that a participating facility has exceeded their normal purchasing thresholds by a significant amount ("such as the tripling of usual ordered quantities by an activity, coupled with its failure to demonstrate a corresponding increase in its institutional size or patient base" see Clause AS3023, included herein), which in some cases may be a sign of possible product diversion.
- The PPV is informed that the information in this alert may be shared with the entity responsible for the possible product diversion.
- It is also noted that the PPV by submitting this alert for possible product diversion, along with the VANAC Contracting Office acknowledging acceptance of the alert, does not accept responsibility, or liability for the suspected possible product diversion.

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I-28 Reports (cont.)**I-28 (B) Reports for VA National Acquisition Center (Contracting Officer) and Program Management Offices (Cont.)****9. Product Diversion Alert- (cont). Report to NAC Only****Fields**

a. NDC	i. Contract type- identification or code that identifies product/item/unit as FSS, National, BPA, Misc. contract, or Open Market Designation
b. PPV product number	j. FSS, National, BPA or Misc. Contract number.
c. UPN (where available)	k. Customer identification (Station #, PPV acct # etc)
d. UPC (where available)	l. Start Date of suspected diversion
e. Product Description	m. Increased % level of product purchase
f. Dosage form	n. Procurement History (quantity, purchase order numbers, invoices, etc)
g. Strength	o. Status of action taken by PPV
h. Product /item/unit size	

10. CMOP Out of Stock Report – Report to NAC Only

Responsible PPV shall provide a weekly report every Monday identifying the top twenty-five (25) items that were out of stock for all the CMOP facilities from the previous week. This report will be sorted by the quantity of the out of stock item. The report shall contain, at a minimum, the following:

Code	Character Length	Description	Example
Item Number	10	PPV Item Number	123456789
Generic Description	64	Generic Description	Lisinopril 10mg Tab
NDC	11	National Drug Code	00000112233
Vendor Name	24	Product Supplier Name	XYZ Company
Out Of Stock & M.B.O. Quantity	10	Number of bottles, tubes, boxes, etc., unavailable due to an out of stock and/or MBO status	80,800

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I-28 Reports (cont.)

I-28(C) On-Line reports for Supply Offices and Pharmacy Directors located at each ordering site

PPV shall provide the following on-line reports to VA's facilities attention: Chief, Acquisition and Materiel Management (90) and VA's Director of Pharmacy Svc; and for other government agencies, direct the report to the attention of Chief, Pharmacy Svc. and to Chief Acquisition and Material Management. The reports shall be available on-line, real time with the capability of being printed or downloaded.

1. Velocity I – As described in I-28 (A)(1)
2. Velocity II – As described in I-28 (A)(2)
3. Usage Report – As described in I-28 (A) 3
4. Narcotic Report – As described in I-28 (A) 5
5. Vendor Contract Supply Problem Report, Weekly, FSS or National contractor to be listed alphabetically (1-28(B)1)
6. Contractors' Sales Summary- As described in I-28 (B) 6
7. Contract Compliance Report – As described in I-28 (A) 4

The respective contract number shall identify any item under contract: FSS, National, BPA, BOA or miscellaneous other government contract (e.g., VANAC numbering format starts with identifier "V797P" and is followed by a five-character Alpha Numeric serial number: example: "V797P-1234k".

I-28 (D) IHS NSSC Specific Report Requirements:

The following reports are in addition to the reports listed in sections I-28(A) – (C). The reports shall be made available on-line in real time for easy download, within 15 calendar days following the end of each month.

Reports shall be provided to the Director of the NSSC.

The NSSC, shall have access to PPV/IHS purchase history information and reports for all IHS facilities nation-wide. This information will be used by IHS to determine participation in the VA National Contracts, BPA's and other government contracts.

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I-28 Reports (cont.)**I-28 (D) IHS NSSC Specific Report Requirements (cont.)**

1. **“Report 45 – Drugs Distributed by Facility** (or similar report that will provide the following information:

Fields Required:

a. FSS, National, BPA, BOA, Miscellaneous government contractor's, or Open Market manufacturers name.	f. Drug Size
b. Contract number or open market designation.	g. Total quantity purchased of each product/item/unit.
c. IHS/ Tribal Station Number	h. Date of purchase(s).
d. Drug Purchased	i. Total dollars purchased, all open market products/items/units.
e. Drug Strength	j. Grand total (by usage) of all purchases made during specified reporting period.

This report shall reflect revolving history from the effective date of the contract.

2. Reports are to be distributed for the “Department of Health and Human Services – Indian Health Service (IHS)” to the following:
- Director, NSSC, and the C.O.T.R., 1005 N. Country Club Road, Ada Oklahoma 74820 (IHS & Tribal and “638” facilities Nationwide)
 - Area Pharmacy Officer, Billings Area Indian Health Service, 2900 4th Avenue North, Billings, MT 59103 (IHS sites in Northwest Region)
 - Chief Pharmacy Officer, Santa Fe Indian Hospital, 1700 Cerrillos Road, Santa Fe, NM 88340 (IHS sites in Southwest Region).
 - Area Pharmacy Officer, Portland Office, 1220 SW Third, Avenue, Room 476, Portland, OR 97204 (IHS and Tribal sites in Northwest region).
 - Area Pharmacy Officer, Aberdeen Area Indian Health Service, 115 –4th Avenue, Federal Building Aberdeen, SD 57401 (IHS site in Upper Midwest region).
 - Chief Pharmacy Officer, IHS Indian Hospital, Red Lake, MN 56671 (IHS sites in upper Midwest Region)
 - Area Pharmacy Officer, Phoenix Area IHS, Two Renaissance Square, 40 North Central Avenue, Phoenix, AZ 85004 (IHS and Tribal sites in Southwest & Northwest Regions).
 - Gallup Supply Management Officer, Gallup Supply Service Center, P.O. Box 3090, Gallup, NM 87305 (IHS sites in Southwest region)
 - Senior Contracting Officer, Alaska Area Indian Health Service, 250 Gambell Street, Anchorage, AK 99501 (IHS and Tribal sites Alaska Region).

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I-29 Pricing Proposal

The VA PPV Fee Schedule has been broken down into regions representing the geographical location of the customer base. (see section I-31 "Fee Schedule").

- Facilities in Alaska, Hawaii, are listed as separate, individual regions.
- An offer may be submitted on one, more than one, or each and every one of the identified regions.

It is anticipated that the negative distribution fees offered will increase, as the number of regions that an offeror indicates it can service increases.

- The CMOP's and the HHS/SSC are geographically located in separate regions, but service a customer base extending several regions. Offers submitted to cover the CMOP's and the HHS/SSC shall include ALL CMOP's, the HHS/SSC in Perry Point MD, and the National Acquisition Center accounts in Hines Illinois.

It is anticipated that the negative distribution fees offered will increase, when an offer indicates it can service all the CMOP's, the HHS/SSC, the National Acquisition Center accounts AND additional regions.

- Any alternate offers shall be submitted on offerors company letterhead, designated as an alternate proposal. Reference 52.212-1(b), for information which must be contained in each offer and 52.212-1(e) for alternate offers.
- See Attachment A for the listing of facilities in each region.

NOTE: The Government has determined that it will not accept any offers which are submitted only as an "ALL or NONE" offer.

Note: Within 20 calendar days after contract award, the PPV(s) shall provide the NAC CO a copy, fully redacted as necessary, of their proposal which shall be releasable to the general public in response to Freedom of Information ACT(FOIA) requests.

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I-30 Distribution Fees

The Distribution fee shall be a firm fixed price, offered as a percent of the product price. The Distribution fee shall represent all elements of the PPV's delivered price other than the product price.

- Indicate your proposed negative distribution fee(s) for the region(s) for which your firm is submitting an offer.
- The government requires one negative distribution fee per region and this negative fee shall cover the distribution of both contract and Open Market items to all the facilities in any region(s) offered. Separate fees may be offered for the Net 15 and Fast Pay accounts.
- This negative distribution fee will then be imbedded into the price of the product/item unit ordered.
- Offerors shall identify the negative distribution fee as a percentage of the unit/item/product price.
- Price Rounding shall be used when calculating the final product price.
 - (When calculating pricing that results in more than two decimal points, prices shall be rounded to the cent. Decimals of less than .5 shall be rounded down, and decimals of .5 and above shall be rounded up.)
- The percentage of product to be distributed by the PPV is estimated at 97% pharmaceutical and 3% medical/surgical items.
- Complete the fee schedule for the base 2 year period plus all three option years.
 - If your proposed fee is the same for all five years, complete the base period and arrow down through the option years.
- See Attachment A for the listing of the facilities and their individual annual PPV estimates located in each region.

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I-31 Fee Schedule:

P & M/S = Pharmaceutical and Medical/Surgical (Contract and Open Market)

NOTES:

- ❖ Some VISN's may appear in more than one region (e.g. Alaska, Hawaii, Puerto Rico). This is not intended to imply that there is duplication of facilities within those VISN regions. Offerors should review "Fee Schedule" in conjunction with Attachment A in its entirety.
- ❖ The Est. Annual Regional PPV Purchases provided **DO NOT** include dollar estimates for the possible future inclusion of "638" facilities that will be entitled to direct access to pharmaceutical prime vendor services under this contract.
- ❖ Offerors must complete the Fee Schedule tables for each region that proposal is offered. The Net 15 Sales amounts are estimated sales under the 15 day payment method. The Fast Pay Sales amounts are estimated sales under the fast pay method. Indicate the distribution fee offered under the P & M/S column then multiply by the estimated sales to get the total. Sum the two totals to get the grand total.

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Name _____

Please stamp or write your firm's name on each of the following pages for which your firm submits an offer. If, in addition to offering on a region, the offeror is providing an alternate offer which combines regions, please copy the pages and submit the alternate offer clearly identifying it as an alternate offer. In order to be eligible for award, any Offeror submitting alternate offers (which are multi-region offers) also must submit offers for each individual region offered in the alternate offer.

I-31 Fee Schedule:

1. NORTH Region (VISN's 1,2 & 3)

Est. Annual Regional PPV Purchases: \$153,762,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$20,500,000		
OPTION YEAR 1	10,250,000		
OPTION YEAR 2	10,250,000		
OPTION YEAR 3	10,250,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$287,024,000		
OPTION YEAR 1	143,512,000		
OPTION YEAR 2	143,512,000		
OPTION YEAR 3	143,512,000		
TOTAL			

GRAND TOTAL: _____

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Name _____

Please stamp or write your firm's name on each of the following pages for which your firm submits an offer. If, in addition to offering on a region, the offeror is providing an alternate offer which combines regions, please copy the pages and submit the alternate offer clearly identifying it as an alternate offer. In order to be eligible for award, any Offeror submitting alternate offers (which are multi-region offers) also must submit offers for each individual region offered in the alternate offer.

I-31 Fee Schedule (cont.):

2. NORTHEAST Region (VISN's 4 & 5)

Est. Annual Regional PPV Purchases: \$97,341,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$16,144,000		
OPTION YEAR 1	8,072,000		
OPTION YEAR 2	8,072,000		
OPTION YEAR 3	8,072,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$178,538,000		
OPTION YEAR 1	89,269,000		
OPTION YEAR 2	89,269,000		
OPTION YEAR 3	89,269,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

Please stamp or write your firm's name on each of the following pages for which your firm submits an offer. If, in addition to offering on a region, the offeror is providing an alternate offer which combines regions, please copy the pages and submit the alternate offer clearly identifying it as an alternate offer. In order to be eligible for award, any Offeror submitting alternate offers (which are multi-region offers) also must submit offers for each individual region offered in the alternate offer.

3. APPALACHIANS Region (VISN's 6 & 7)

Est. Annual Regional PPV Purchases: **\$111,922,000**

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$15,780,000		
OPTION YEAR 1	7,890,000		
OPTION YEAR 2	7,890,000		
OPTION YEAR 3	7,890,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$208,064,000		
OPTION YEAR 1	104,032,000		
OPTION YEAR 2	104,032,000		
OPTION YEAR 3	104,032,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

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4. **EVERGLADES Region (VISN 8) + Puerto Rico & Virgin Islands**
Est. Annual Regional PPV Purchases: \$111,695,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$6,684,000		
OPTION YEAR 1	3,342,000		
OPTION YEAR 2	3,342,000		
OPTION YEAR 3	3,342,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$216,706,000		
OPTION YEAR 1	108,353,000		
OPTION YEAR 2	108,353,000		
OPTION YEAR 3	108,353,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

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5. BLUEGRASS Region (VISN's 9 & 10)

Est. Annual Regional PPV Purchases: \$104,724,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$7,032,000		
OPTION YEAR 1	3,516,000		
OPTION YEAR 2	3,516,000		
OPTION YEAR 3	3,516,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$202,416,000		
OPTION YEAR 1	101,208,000		
OPTION YEAR 2	101,208,000		
OPTION YEAR 3	101,208,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

Please stamp or write your firm's name on each of the following pages for which your firm submits an offer. If, in addition to offering on a region, the offeror is providing an alternate offer which combines regions, please copy the pages and submit the alternate offer clearly identifying it as an alternate offer. In order to be eligible for award, any Offeror submitting alternate offers (which are multi-region offers) also must submit offers for each individual region offered in the alternate offer.

I-31 Fee Schedule (cont.):

NOTE: Although all offerors are encouraged to provide a proposal/offer on each Region listed in the solicitation, the **GREAT LAKES REGION HAS BEEN SET ASIDE FOR SMALL BUSINESS CONCERNS UNDER CASCADE PROCEDURES**

6. GREAT LAKES Region (VISN's 11 & 12)

Est. Annual Regional PPV Purchases: \$107,456,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$1,734,000		
OPTION YEAR 1	867,000		
OPTION YEAR 2	867,000		
OPTION YEAR 3	867,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$213,178,000		
OPTION YEAR 1	106,589,000		
OPTION YEAR 2	106,589,000		
OPTION YEAR 3	106,589,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

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I-31 Fee Schedule (cont.):

NOTE: Although all offerors are encouraged to provide a proposal/offer on each Region listed in the solicitation, the **UPPER MIDWEST REGION HAS BEEN SET ASIDE FOR SMALL BUSINESS CONCERNS UNDER CASCADE PROCEDURES**

7. UPPER MIDWEST Region (VISN 23 (formerly VISN's 13 & 14)

Est. Annual Regional PPV Purchases: \$73,429,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$12,638,000		
OPTION YEAR 1	6,319,000		
OPTION YEAR 2	6,319,000		
OPTION YEAR 3	6,319,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$134,220,000		
OPTION YEAR 1	67,110,000		
OPTION YEAR 2	67,110,000		
OPTION YEAR 3	67,110,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

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I-31 Fee Schedule (cont.):

NOTE: Although all offerors are encouraged to provide a proposal/offer on each Region listed in the solicitation, the **HEARTLAND REGION HAS BEEN SET ASIDE FOR SMALL BUSINESS CONCERNS UNDER CASCADE PROCEDURES**

8. HEARTLAND Region (VISN's 15 & 16)

Est. Annual Regional PPV Purchases: \$152,397,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$71,872,000		
OPTION YEAR 1	35,936,000		
OPTION YEAR 2	35,936,000		
OPTION YEAR 3	35,936,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$232,922,000		
OPTION YEAR 1	116,461,000		
OPTION YEAR 2	116,461,000		
OPTION YEAR 3	116,461,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

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I-31 Fee Schedule (cont.):

9. SOUTHWEST Region (VISN's 17 & 18)

Est. Annual Regional PPV Purchases: \$157,826,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$104,492,000		
OPTION YEAR 1	52,246,000		
OPTION YEAR 2	52,246,000		
OPTION YEAR 3	52,246,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$211,160,000		
OPTION YEAR 1	105,580,000		
OPTION YEAR 2	105,580,000		
OPTION YEAR 3	105,580,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

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I-31 Fee Schedule (cont.):

10. NORTHWEST Region (VISN's 19 & 20) (excludes Alaska)

Est. Annual Regional PPV Purchases: \$92,239,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$24,998,000		
OPTION YEAR 1	12,499,000		
OPTION YEAR 2	12,499,000		
OPTION YEAR 3	12,499,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$159,480,000		
OPTION YEAR 1	79,740,000		
OPTION YEAR 2	79,740,000		
OPTION YEAR 3	79,740,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

Please stamp or write your firm's name on each of the following pages for which your firm submits an offer. If, in addition to offering on a region, the offeror is providing an alternate offer which combines regions, please copy the pages and submit the alternate offer clearly identifying it as an alternate offer. In order to be eligible for award, any Offeror submitting alternate offers (which are multi-region offers) also must submit offers for each individual region offered in the alternate offer.

I-31 Fee Schedule (cont.):

11. WEST COAST Region (VISN's 21 & 22) + Philippines (Manila)

Est. Annual Regional PPV Purchases: \$110,219,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$15,466,000		
OPTION YEAR 1	7,733,000		
OPTION YEAR 2	7,733,000		
OPTION YEAR 3	7,733,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$204,972,000		
OPTION YEAR 1	102,486,000		
OPTION YEAR 2	102,486,000		
OPTION YEAR 3	102,486,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

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I-31 Fee Schedule (cont.):

12. ALASKA Region (VISN 20)

Est. Annual Regional PPV Purchases: \$20,176,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$36,642,000		
OPTION YEAR 1	18,321,000		
OPTION YEAR 2	18,321,000		
OPTION YEAR 3	18,321,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$3,710,000		
OPTION YEAR 1	1,855,000		
OPTION YEAR 2	1,855,000		
OPTION YEAR 3	1,855,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

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I-31 Fee Schedule (cont.):

13. HAWAII Region (VISN 21) + Saipan

Est. Annual Regional PPV Purchases: \$7,850,000

	NET 15 SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$2,054,000		
OPTION YEAR 1	1,027,000		
OPTION YEAR 2	1,027,000		
OPTION YEAR 3	1,027,000		
TOTAL			

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$13,646,000		
OPTION YEAR 1	6,823,000		
OPTION YEAR 2	6,823,000		
OPTION YEAR 3	6,823,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

Please stamp or write your firm's name on each of the following pages for which your firm submits an offer. If, in addition to offering on a region, the offeror is providing an alternate offer which combines regions, please copy the pages and submit the alternate offer clearly identifying it as an alternate offer. In order to be eligible for award, any Offeror submitting alternate offers (which are multi-region offers) also must submit offers for each individual region offered in the alternate offer.

I-31 Fee Schedule (cont.):

14. **All VA CMOPS** (located Nationwide within all regions) **And**
HHS SSC Facility (located in Perry Point, Maryland) **And**
the National Acquisition Center's Accounts (located in Hines II)

Est. Annual PPV Purchases: \$1,730,434,000

	FAST PAY SALES	P & M/S FEE	TOTAL (SALES x FEE)
BASE PERIOD	\$3,460,868,000		
OPTION YEAR 1	1,730,434,000		
OPTION YEAR 2	1,730,434,000		
OPTION YEAR 3	1,730,434,000		
TOTAL			

GRAND TOTAL: _____

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART 1- Continuation of SF 1449**

Name _____

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I-32 Optional Equipment

a. PPV shall provide 2 hand held order entry devices, for each facility as part of its "distribution fee", as well as a printer and any required modem to enable on-line, real time ordering and printing (see section I-5, "Automated Ordering System"). Each additional hand held order entry device as requested by the individual facility, shall be provided at a rental price per month of:

\$ _____ per month

b. PPV shall provide personal computers as specified under I-5 as part of its "distribution fee" proposal as well as any required modem to enable on-line, real time ordering and printing (see section I-5, "Automated Order System"). Each additional computer as requested by the individual facility, shall be provided at a rental price per month of:

\$ _____ per month

Note: Rental fees for additional equipment in excess of the minimum requirements will not be included in the process of evaluation for award. The length of the rental term for any additional equipment shall be determined between the individual requesting facility and the PPV.

1-33 Licenses, Permits, and Registration Requirements

Offerors must have in place prior to the start of the contract, and must maintain for the life of the contract, all current licenses, permits and registrations required by State, local and Federal Government agencies. Offerors shall make such documentation available upon request by the Contracting Officer.

THE FOLLOWING PAGES WERE NOT IN THE ORIGINAL SOW.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART II- Contract Terms and Conditions**

**52.212-4 CONTRACT TERMS AND CONDITIONS--COMMERCIAL ITEMS
(FEB 2002) (DEVIATION PENDING June 2003)**

a. Inspection/Acceptance. (Tailored) Pharmaceutical products will be ordered by the Government through the authorized VA Pharmaceutical Prime vendors. The Government's inspection rights become effective upon receipt at the Government ordering facility. The Contractor shall only tender for acceptance those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or re-performance of nonconforming services at no increase in contract price. The Government must exercise its post-acceptance rights

(1) Within a reasonable time after the defect was discovered or should have been discovered; and
(2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

b. Assignment-- The Contractor or its assignees may assign its rights to be receive payment due as a result of performance of this contract to a bank, trust company, or other financing institution, including any Federal lending Agency in accordance with the Assignment of Claims Act (31 U.S.C. 3727). However, when a third party makes payment (e.g., use of the Government wide commercial purchase card), the Contractor may not assign its right to receive payment under this contract.

c. Changes-- Changes in the terms and conditions of this contract may be made only by written agreement of the parties.

d. Disputes. (Deviation) (1) This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). Failure of the parties to this contract to reach agreement on any request for equitable adjustment, claim, appeal or action arising under or relating to this contract shall be a dispute to be resolved in accordance with the clause at FAR 52.233-1, Disputes, which is incorporated herein by reference. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any dispute arising under the contract.

(2) The Veterans Affairs Board of Contract Appeals (VABCA) has jurisdiction over any disputes arising under this contract. Also, a dispute arising between a product supplier and an authorized VA Pharmaceutical Prime Vendor does not give rise to a "claim" under the Disputes Clause, FAR 52.233-1.

e. Definitions-- The clause at FAR 52.202-1, Definitions, is incorporated herein by reference.

f. Excusable delays-- The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence such as, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART II- Contract Terms and Conditions**

**52.212-4 CONTRACT TERMS AND CONDITIONS--COMMERCIAL ITEMS
(FEB 2002) (DEVIATION PENDING June 2003) (Cont.)**

any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

g. Invoice.(Deviation)

(1) The Contractor shall submit an original invoice and three copies (or electronic invoice, if authorized,) to the address designated in the contract to receive invoices.

An invoice must include -

- (i) Name and address of the Contractor;**
- (ii) Invoice date and number;**
- (iii) Contract number, contract line item number and, if applicable, the order number;**
- (iv) Description, quantity, unit of measure, unit price and extended price of the items delivered; lot number, product expiration date and PPV assigned customer account number;**
- (v) Shipping number and date of shipment including the bill of lading number and weight of shipment if shipped on Government bill of lading;**
- (vi) Terms of any for prompt payment offered;**
- (vii) Name and address of official to whom payment is to be sent; and**
- (vii) Name, title, and phone number of person to be notified in event of defective invoice; and**
- (ix) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice, only if required elsewhere in this contract.**
- (x) Electronic funds transfer (EFT) banking information.**
 - (A) The Contractor shall include EFT banking information on the invoice only if required elsewhere in this contract.**
 - (B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision, contract clause (e.g. 52.232.33 Payment by Electronic Funds Transfer, Central Contractor Registration of 52.232-34, Payment by electronic Funds Transfer Other Than Central Contractor Registration), or applicable Agency procedures.**
 - (C) EFT banking information is not required if the Government waived the requirement to pay by EFT.**

(2) Invoices will be handled in accordance with the Prompt Payment Act (31 U.S.C. 3903) and Office of Management and Budget (OMB) prompt payment regulations at 5CFR part 1315.

h. Patent indemnity. The Contractor shall indemnify the Government and its officers, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright, arising out of the performance of this contract, provided the Contractor is reasonably notified of such claims and proceedings.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART II- Contract Terms and Conditions**

**52.212-4 CONTRACT TERMS AND CONDITIONS--COMMERCIAL ITEMS
(FEB 2002) (DEVIATION PENDING June 2003) (Cont.)**

i. **Payment.** Payment shall be made for items accepted by the Government that have been delivered to the delivery destinations set forth in this contract. The Government will make payment in accordance with the deviation received to the Prompt Payment Act (31 U.S.C. 3903) and (OMB) prompt payment regulations at 5 CFR part 1315. In connection with any discount offered for early payment, time shall be computed from the date of the invoice. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the specified payment date if an electronic funds transfer payment is made.

j. **Risk of loss--** Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with the Contractor until, and shall pass to the Government upon

- (1) Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or
- (2) Delivery of the supplies to the Government at the destinations specified in the contract, if transportation is f.o.b. destination.

k. Taxes. The contract price includes all applicable Federal, State, and local taxes and duties.

l. **Termination for the Governments' convenience-- (TAILORED)** The Government reserves the right to terminate this contract or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. In the event of a partial termination, only the terminated portion shall be affected, and the contractor shall proceed as instructed by the Contacting Officer. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Contractor can demonstrate to the satisfaction of the Government using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractors records. The Contractor shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

m. **Termination for cause--** The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART II- Contract Terms and Conditions**

**52.212-4 CONTRACT TERMS AND CONDITIONS--COMMERCIAL ITEMS
(FEB 2002) (DEVIATION PENDING) (Cont.)**

n. Title-- Unless specified elsewhere in this contract, title to items furnished under this contract shall pass to the Government upon acceptance; regardless of when or where the Government takes physical possession.

o. Warranty-- The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

p. Limitation of liability-- (TAILORED) Except as otherwise provided by an express or implied warranty, the Contractor will not be liable to the Government in breach of warranty action for consequential damages resulting from any defect or deficiencies in accepted items.

q. Other compliances-- The Contractor shall comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to its performance under this contract.

r. Compliance with laws unique to Government contracts-- The Contractor agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C 327, et seq., Contract Work Hours and Safety Standards Act; 41 U.S.C. 51-58, Anti-Kickback Act of 1986; 41 U.S.C.265 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. 423 relating to procurement integrity.

s. Order of precedence-- Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order:

- (1) The schedule of supplies/services.
- (2) The Assignments, Disputes, Payments, Invoice, Other Compliances, and compliance with Laws Unique to Government Contracts paragraphs of this clause.
- (3) The clause at 52.212-5.
- (4) Addenda to this solicitation or contract, including any license agreements for computer software.
- (5) Solicitation provisions if this is a solicitation.
- (6) Other paragraphs of this clause.
- (7) The Standard Form 1449.
- (8) Other documents, exhibits, and attachments.
- (9) The specification.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART II- Contract Terms and Conditions
*ADDENDA TO 52.212-4 Contract Terms and Conditions-Commercial Items***

52.204-4 PRINTED or COPIED DOUBLE-SIDED on RECYLED PAPER (AUG 2000)

(a) Definitions. As used in this clause-

"Postconsumer material" means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. Postconsumer material is a part of the broader category of "recovered material." For paper and paper products, postconsumer material means "postconsumer fiber" defined by the U.S. Environmental Protection Agency (EPA) as-

(1) Paper, paperboard, and fibrous materials from retail stores, office buildings, homes, etc., after they have passed through their end-usage as a consumer item, including: used corrugated boxes; old newspapers; old magazines; mixed waste paper; tabulating cards; and used cordage; or

(2) All paper, paperboard, and fibrous materials that enter and are collected from municipal solid waste; but not

(3) Fiber derived from printers' over-runs, converters' scrap, and over-issue publications.

"Printed or copied double-sided" means printing or reproducing a document so that information is on both sides of a sheet of paper.

"Recovered material," for paper and paper products, is defined by EPA in its Comprehensive Procurement Guideline as "recovered fiber" and means the following materials:

(1) Postconsumer fiber; and (2) Manufacturing wastes such as-

(i) Dry paper and paperboard waste generated after completion of the papermaking process (that is, those manufacturing operations up to and including the cutting and trimming of the paper machine reel into smaller rolls or rough sheets) including: envelope cuttings, bindery trimmings, and other paper and paperboard waste resulting from printing, cutting, forming, and other converting operations; bag, box, and carton manufacturing wastes; and butt rolls, mill wrappers, and rejected unused stock; and

(ii) Repulped finished paper and paperboard from obsolete inventories of paper and paperboard manufacturers, merchants, wholesalers, dealers, printers, converters, or others.

(b) In accordance with Section 101 of Executive Order 13101 of September 14, 1998, Greening the Government through Waste Prevention, Recycling, and Federal Acquisition, the Contractor is encouraged to submit paper documents, such as offers, letters, or reports, that are printed or copied double-sided on recycled paper that meet minimum content standards specified in Section 505 of Executive Order 13101, when not using electronic commerce methods to submit information or data to the Government.

(c) If the Contractor cannot purchase high-speed copier paper, offset paper, forms bond, computer printout paper, carbonless paper, file folders, white wove envelopes, writing and office paper, book paper, cotton fiber paper, and cover stock meeting the 30 percent Postconsumer material standard for use in submitting paper documents to the Government, it should use paper containing no less than 20 percent Postconsumer material. This lesser standard should be used only when paper meeting the 30 percent Postconsumer material standard is not obtainable at a reasonable price or does not meet reasonable performance standards.

PHARMACEUTICAL PRIME VENDOR**SOLICITATION 797-PV-03-002****PART II- Contract Terms and Conditions*****ADDENDA TO 52.212-4 Contract Terms and Conditions-Commercial Items (cont.)*****52.208-9 CONTRACTOR USE OF MANDATORY SOURCES OF SUPPLY OR SERVICES (FEB 2002)**

(a) Certain supplies or services to be provided under this contract for use by the Government are required by law to be obtained from the Committee for Purchase From People Who Are Blind or Severely Disabled (the Committee) under the Javits-Wagner-O'Day Act (JWOD) (41 U.S.C. 48). Additionally, certain of these supplies are available from the Defense Logistics Agency (DLA), the General Services Administration (GSA), or the Department of Veterans Affairs (VA). The Contractor shall obtain mandatory supplies or services to be provided for Government use under this contract from the specific sources indicated in the contract schedule.

(b) The Contractor shall immediately notify the Contracting Officer if a mandatory source is unable to provide the supplies or services by the time required, or if the quality of supplies or services provided by the mandatory source is unsatisfactory. The Contractor shall not purchase the supplies or services from other sources until the Contracting Officer has notified the Contractor that the Committee or a JWOD central nonprofit Agency has authorized purchase from other sources.

(c) Price and delivery information for the mandatory supplies is available from the Contracting Officer for the supplies obtained through the DLA/GSA/VA distribution facilities. For mandatory supplies or services that are not available from DLA/GSA/VA, price and delivery information is available from the appropriate central nonprofit Agency. Payments shall be made directly to the source making delivery. Points of contact for JWOD central nonprofit agencies are:

(1) National Industries for the Blind (NIB)
1901 North Beauregard Street, Suite 200
Alexandria, VA 22311-1705
(703) 998-0770

(2) NISH
2235 Cedar Lane
Vienna, VA 22182-5200
(703) 560-6800

52.216-18 ORDERING. (OCT 1995)

(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule. Such orders may be issued from 90 days after the award date through the expiration date of final option year exercised.

(b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c) If mailed, a delivery order or task order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule.

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*ADDENDA TO 52.212-4 Contract Terms and Conditions-Commercial Items (cont.)***

52.216-19 ORDER LIMITATIONS (OCT 1995)

- a. Minimum order. When the Government requires supplies or services covered by this contract in an amount of less than \$50.00, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.
- b. Maximum order. The Contractor is not obligated to honor -
 - (1) Any order for a single item in excess of \$100,000.00;
 - (2) Any order for a combination of items in excess of One Million Dollars for an individual facility; or \$9,999,999.00 WEEKLY/ or \$39,000,000.00 MONTHLY for CMOPs; or
 - (3) A series of orders from the same ordering office within **one** day that together call for quantities exceeding the limitation in subparagraph (b)(1) or (2) of this section.
- c. If this is a requirements contract (i.e., includes the Requirements clause at subsection 52.216-21 of the Federal Acquisition Regulation (FAR), the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) of this section.
- d. Notwithstanding paragraphs (b) and (c) of this section, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within **ONE** day after issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

52.216-21 REQUIREMENTS (OCT 1995)

- a. This is a requirements contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies or services specified in the Schedule are estimates only and are not purchased by this contract. Except as this contract may otherwise provide, if the Government's requirements do not result in orders in the quantities described as "estimated or "maximum" in the Schedule, that fact shall not constitute the basis for an equitable price adjustment.
- b. Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. Subject to any limitations in the Order Limitations clause or elsewhere in this contract, the Contractor shall furnish to the Government all supplies or services specified in the Schedule and called for by orders issued in accordance with the Ordering clause. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

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*ADDENDA TO 52.212-4 Contract Terms and Conditions-Commercial Items (cont.)***

52.216-21 REQUIREMENTS (OCT 1995) (cont.)

c. Except as this contract otherwise provides, the Government shall order from the Contractor all the supplies or services specified in the Schedule that are required to be purchased by the Government activity or activities specified in the Schedule.

d. The Government is not required to purchase from the Contractor requirements in excess of any limit on total orders under this contract.

e. If the Government urgently requires delivery of any quantity of an item before the earliest date that the delivery may be specified under this contract, and if the Contractor will not accept an order providing for the accelerated delivery, the Government may acquire the urgently required goods or services from another source.

f. Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractors and Governments rights and obligations with respect to that order to the same extent as if the order were completed during the contracts effective period; provided, that the Contractor shall not be required to make any deliveries under this contract one day after the contract expires.

52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within 30 days prior to the expiration date of the contract; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed five years.

52.219.16 LIQUIDATED DAMAGES - SUBCONTRACTING PLAN (JAN 1999)

(a) "Failure to make a good faith effort to comply with the subcontracting plan", as used in this clause, means a willful or intentional failure to perform in accordance with the requirements of the subcontracting plan approved under the clause in this contract entitled "Small Business Subcontracting Plan," or willful or intentional action to frustrate the plan.

PHARMACEUTICAL PRIME VENDOR

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PART II- Contract Terms and Conditions

ADDENDA TO 52.212-4 Contract Terms and Conditions-Commercial Items (cont.)

52.219.16 LIQUIDATED DAMAGES - SUBCONTRACTING PLAN (JAN 1999) (cont.)

(b) Performance shall be measured by applying the percentage goals to the total actual subcontracting dollars, or if a commercial plan is involved, to the pro rata share of actual subcontracting dollars attributable to Government contracts covered by the commercial plan. If, at contract completion, or in the case of a commercial plan, at the close of the fiscal year for which the plan is applicable, the Contractor has failed to meet its subcontracting goals and the Contracting Officer decides in accordance with paragraph (c) of this clause that the Contractor failed to make a good faith effort to comply with its subcontracting plan, established in accordance with the clause in this contract entitled "Small Business Subcontracting Plan," the Contractor shall pay the Government liquidated damages in an amount stated. The amount of probable damages attributable to the Contractor's failure to comply, shall be an amount equal to the actual dollar amount by which the Contractor failed to achieve each subcontract goal.

(c) Before the Contracting Officer makes a final decision that the Contractor has failed to make such good faith effort, the Contracting Officer shall give the Contractor written notice specifying the failure and permitting the Contractor to demonstrate what good faith efforts have been made and to discuss the matter. Failure to respond to the notice may be taken as an admission that no valid explanation exists. If, after consideration of all the pertinent data, the Contracting Officer finds that the Contractor failed to make a good faith effort to comply with the subcontracting plan, the Contracting Officer shall issue a final decision to that effect and require that the Contractor pay the Government liquidated damages as provided in paragraph (b) of this clause.

(d) With respect to commercial plans, the Contracting Officer who approved the plan will perform the functions of the Contracting Officer under this clause on behalf of all agencies with contracts covered by the commercial plan.

(e) The Contractor shall have the right of appeal, under the clause in this contract entitled, Disputes, from any final decision of the Contracting Officer.

(f) Liquidated damages shall be in addition to any other remedies that the Government may have.

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ADDENDA TO 52.212-4-Contract Terms and Conditions- Commercial Items (cont.)

52.232-19 AVAILABILITY OF FUNDS FOR NEXT FISCAL YEAR (APR 1984)

Funds are not presently available for performance under this contract beyond the fiscal year. The Government's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise for performance under this contract beyond the fiscal year until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer. (Note: The issuance of a funded delivery order under this contract shall serve as notice of the availability of funds for the fiscal year in which the delivery order is issued.)

52.232-25 PROMPT PAYMENT (FEB 2002) (DEVIATION PENDING- June 2003)

Notwithstanding any other payment clause in this contract, the Government will make invoice payments under the terms and conditions specified in this clause. The Government considers payment as being made on the day a check is dated or the date of an electronic funds transfer (EFT). Definitions of pertinent terms are set forth in sections 2.101, 32.001, and 32.902 of the Federal Acquisition Regulation. All days referred to in this clause are calendar days, unless otherwise specified. (However, see paragraph (a)(4) of this clause concerning payments due on Saturdays, Sundays, and legal holidays.)

(a) Invoice payments-

(1) Due date.

(i) Except as indicated in paragraphs (a)(2) and (c) of this clause, the due date for making invoice payments by the designated payment office shall be the later of the following two events:

(A) The 15th day after the designated billing office receives a proper invoice from the Contractor (except as provided in paragraph (a)(1)(ii) of this clause).

(B) The 15th day after Government acceptance of supplies delivered or services performed. For a final invoice, when the payment amount is subject to contract settlement actions, acceptance is deemed to occur on the effective date of the contract settlement.

(ii) If the designated billing office fails to annotate the invoice with the actual date of receipt at the time of receipt, the invoice payment due date is the 15th day after the date of the Contractor's invoice, provided the designated billing office receives a proper invoice and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

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ADDENDA TO 52.212-4-Contract Terms and Conditions- Commercial Items (cont.)

**52.232-25 PROMPT PAYMENT (FEB 2002) (DEVIATION PENDING June 2003)
(cont.)**

(2) Certain food products and other payments:

(i) Due dates on Contractor invoices for meat, meat food products, or fish; perishable agricultural commodities; and dairy products, edible fats or oils, and food products prepared from edible fats or oils are-

(A) For meat or meat food products, as defined in section 2(a)(3) of the Packers and Stockyard Act of 1921 (7 U.S.C. 182(3)), and as further defined in Pub. L. 98-181, including any edible fresh or frozen poultry meat, any perishable poultry meat food product, fresh eggs, and any perishable egg product, as close as possible to, but not later than, the 7th day after product delivery.

(B) For fresh or frozen fish, as defined in section 204(3) of the Fish and Seafood Promotion Act of 1986 (16 U.S.C. 4003(3)), as close as possible to, but not later than, the 7th day after product delivery.

(C) For perishable agricultural commodities, as defined in section 1(4) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(4)), as close as possible to, but not later than, the 10th day after product delivery, unless another date is specified in the contract.

(D) For dairy products, as defined in section 111(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502(e)), edible fats or oils, and food products prepared from edible fats or oils, as close as possible to, but not later than, the 10th day after the date on which a proper invoice has been received. Liquid milk, cheese, certain processed cheese products, butter, yogurt, ice cream, mayonnaise, salad dressings, and other similar products, fall within this classification. Nothing in the Act limits this classification to refrigerated products. When questions arise regarding the proper classification of a specific product, prevailing industry practices will be followed in specifying a contract payment due date. The burden of proof that a classification of a specific product is, in fact, prevailing industry practice is upon the Contractor making the representation.

(ii) If the contract does not require submission of an invoice for payment (e.g., periodic lease payments), the due date will be as specified in the contract.

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ADDENDA TO 52.212-4-Contract Terms and Conditions- Commercial Items (cont.)

**52.232-25 PROMPT PAYMENT (FEB 2002) (DEVIATION PENDING June 2003)
(cont.)**

(3) Contractor's invoice. The Contractor shall prepare and submit invoices to the designated billing office specified in the contract. A proper invoice must include the items listed in paragraphs (a)(3)(i) through (a)(3)(x) of this clause. If the invoice does not comply with these requirements, the designated billing office will return it within 7 days after receipt (3 days for meat, meat food products, or fish; 5 days for perishable agricultural commodities, dairy products, edible fats or oils, and food products prepared from edible fats or oils), with the reasons why it is not a proper invoice. The Government will take into account untimely notification when computing any interest penalty owed the Contractor.

- (i) Name and address of the Contractor.
- (ii) Invoice date and invoice number. (The Contractor is encouraged to date invoices as close as possible to the date of the mailing or transmission.)
- (iii) Contract number or other authorization for supplies delivered or services performed (including order number and contract line item number).
- (iv) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.
- (v) Shipping and payment terms (e.g., shipment number and date of shipment, discount for prompt payment terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.
- (vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).
- (vii) Name (where practicable), title, phone number, and mailing address of person to notify in the event of a defective invoice.
- (viii) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice only if required elsewhere in this contract.
- (ix) Electronic funds transfer (EFT) banking information.

(A) The Contractor shall include EFT banking information on the invoice only if required elsewhere in this contract.

(B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision (e.g., 52.232-38, Submission of Electronic Funds Transfer Information with Offer), contract clause (e.g., 52.232-33, Payment by Electronic Funds Transfer-Central Contractor Registration, or 52.232-34, Payment by Electronic Funds Transfer-Other Than Central Contractor Registration), or applicable Agency procedures.

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ADDENDA TO 52.212-4 Contract Terms and Conditions- Commercial Items (cont.)

**52.232-25 PROMPT PAYMENT (FEB 2002) (DEVIATION PENDING June 2003)
(cont.)**

(C) EFT banking information is not required if the Government waived the requirement to pay by EFT.

(x) Any other information or documentation required by the contract (e.g., evidence of shipment).

(4) Interest penalty. The designated payment office will pay an interest penalty automatically, without request from the Contractor, if payment is not made by the due date and the conditions listed in paragraphs (a)(4)(i) through (a)(4)(iii) of this clause are met, if applicable. However, when the due date falls on a Saturday, Sunday, or legal holiday, the designated payment office may make payment on the following working day without incurring a late payment interest penalty.

(i) The designated billing office received a proper invoice.

(ii) The Government processed a receiving report or other Government documentation authorizing payment, and there was no disagreement over quantity, quality, or Contractor compliance with any contract term or condition.

(iii) In the case of a final invoice for any balance of funds due the Contractor for supplies delivered or services performed, the amount was not subject to further contract settlement actions between the Government and the Contractor.

(5) Computing penalty amount. The Government will compute the interest penalty in accordance with the Office of Management and Budget prompt payment regulations at 5 CFR part 1315.

(i) For the sole purpose of computing an interest penalty that might be due the Contractor, Government acceptance is deemed to occur constructively on the 7th day (unless otherwise specified in this contract) after the Contractor delivers the supplies or performs the services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, or Contractor compliance with a contract provision. If actual acceptance occurs within the constructive acceptance period, the Government will base the determination of an interest penalty on the actual date of acceptance. The constructive acceptance requirement does not, however, compel Government officials to accept supplies or services, perform contract administration functions, or make payment prior to fulfilling their responsibilities.

(ii) The prompt payment regulations at 5 CFR 1315.10(c) do not require the Government to pay interest penalties if payment delays are due to disagreement between the Government and the Contractor over the payment amount or other issues involving contract compliance, or on amounts temporarily withheld or retained in accordance with the terms of the contract. The Government and the Contractor shall resolve claims involving disputes and any interest that may be payable in accordance with the clause at FAR 52.233-1, Disputes.

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ADDENDA TO 52.212-4 Contract Terms and Conditions- Commercial Items (cont.)

52.232-25 PROMPT PAYMENT (FEB 2002) (DEVIATION PENDING June 2003)

(6) Discounts for prompt payment. The designated payment office will pay an interest penalty automatically, without request from the Contractor, if the Government takes a discount for prompt payment improperly. The Government will calculate the interest penalty in accordance with the prompt payment regulations at 5 CFR part 1315.

(7) Additional interest penalty...

(i) The designated payment office will pay a penalty amount, calculated in accordance with the prompt payment regulations at 5 CFR part 1315 in addition to the interest penalty amount only if-

(A) The Government owes an interest penalty of \$1 or more;

(B) The designated payment office does not pay the interest penalty within 10 days after the date the invoice amount is paid; and

(C) The Contractor makes a written demand to the designated payment office for additional penalty payment, in accordance with paragraph (a)(7)(ii) of this clause, postmarked not later than 40 days after the invoice amount is paid.

(ii)(A) The Contractor shall support written demands for additional penalty payments with the following data. The Government will not request any additional data. The Contractor shall-

(1) Specifically assert that late payment interest is due under a specific invoice, and request payment of all overdue late payment interest penalty and such additional penalty as may be required;

(2) Attach a copy of the invoice on which the unpaid late payment interest is due; and

(3) State that payment of the principal has been received, including the date of receipt.

(B) If there is not postmark or the postmark is illegible----

(1) The designated payment office that receives the demand will annotate it with the date of receipt, provided the demand is received on or before the 40th day after payment was made or

(2) If the designated payment office fails to make the required annotation, the Government will determine the demand's validity based on the date the Contractor has placed on the demand, provided such date is no later than the 40th day after payment was made.

(iii) The additional penalty does not apply to payments regulated by other Government regulations (e.g. payments under utility contracts subject to tariffs and regulations).

(b) Contract financing payment. If this contract provides for contract financing, the Government will make contract financing payments in accordance with the applicable contract financing clause.

(c) Fast payment procedure due dates. If this contract contains the clause at 52.213-1, Fast Payment Procedure, payment will be made within 15 days after the date of receipt of the invoice.

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ADDENDA TO 52.212-4 Contract Terms and Conditions- Commercial Items (cont.)

52.232-25 PROMPT PAYMENT (FEB 2002) (DEVIATION PENDING June 2003)

- (d) Overpayments. If the Contractor becomes aware of a duplicate payment or that the Government has otherwise overpaid on an invoice payment, the Contractor shall immediately notify the Contracting Officer and request instructions for disposition of the overpayment.

52.242-13 BANKRUPTCY (JUL 1995)

In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish, by certified mail or electronic commerce method authorized by the contract, written notification of the bankruptcy to the Contracting Officer responsible for administering the contract. This notification shall be furnished within five days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of Government contract numbers and contracting offices for all Government contracts against which final payment has not been made. This obligation remains in effect until final payment under this contract.

52.247-34 F.O.B. DESTINATION. (NOV 1991)

(a) The term "f.o.b. destination," as used in this clause, means--

- (1) Free of expense to the Government, on board the carriers conveyance, at a specified delivery point where the consignees facility (plant, warehouse, store, lot, or other location to which shipment can be made) is located; and
- (2) Supplies shall be delivered to the destination consignees wharf (if destination is a port city and supplies are for export), warehouse unloading platform, or receiving dock, at the expense of the Contractor. The Government shall not be liable for any delivery, storage, demurrage, accessorial, or other charges involved before the actual delivery (or "constructive placement" as defined in carrier tariffs) of the supplies to the destination, unless such charges are caused by an act or order of the Government acting in its contractual capacity. If rail carrier is used, supplies shall be delivered to the specified unloading platform of the consignee. If motor carrier (including "piggyback") is used, supplies shall be delivered to truck tailgate at the unloading platform of the consignee, except when the supplies delivered meet the requirements of Item 568 of the National Motor Freight Classification for "heavy or bulky freight." When supplies meeting the requirements of the referenced Item 568 are delivered, unloading (including movement to the tailgate) shall be performed by the consignee, with assistance from the truck driver, if requested. If the contractor uses rail carrier or freight forwarded for less than carload shipments, the contractor shall ensure that the carrier will furnish tailgate delivery, when required, if transfer to truck is required to complete delivery to consignee.

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ADDENDA TO 52.212-4 Contract Terms and Conditions- Commercial Items (cont.)

52.247-34 F.O.B. DESTINATION (NOV 1991) (cont.)

(b) The Contractor shall--

- (1)(i) Pack and mark the shipment to comply with contract specifications; or
- (ii) In the absence of specifications, prepare the shipment in conformance with carrier requirements;
- (2) Prepare and distribute commercial bills of lading;
- (3) Deliver the shipment in good order and condition to the point of delivery specified in the contract;
- (4) Be responsible for any loss of and/or damage to the goods occurring before receipt of the shipment by the consignee at the delivery point specified in the contract;
- (5) Furnish a delivery schedule and designate the mode of delivering carrier; and
- (6) Pay and bear all charges to the specified point of delivery.

52.247-35 F.O.B. DESTINATION, WITHIN CONSIGNEES PREMISES (APR 1984)

(a) The term "f.o.b. destination, within consignees premises," as used in this clause, means free of expense to the Government delivered and laid down within the doors of the consignees premises, including delivery to specific rooms within a building if so specified.

(b) The Contractor shall--

- (1)(i) Pack and mark the shipment to comply with contract specifications; or
- (ii) In the absence of specifications, prepare the shipment in conformance with carrier requirements;
- (2) Prepare and distribute commercial bills of lading;
- (3) Deliver the shipment in good order and condition to the point of delivery specified in the contract;
- (4) Be responsible for any loss of and/or damage to the goods occurring before receipt of the shipment by the consignee at the delivery point specified in the contract;
- (5) Furnish a delivery schedule and designate the mode of delivering carrier; and
- (6) Pay and bear all charges to the specified point of delivery.

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ADDENDA TO 52.212-4 Contract Terms and Conditions- Commercial Items (cont.)

852.270-1 REPRESENTATIVES OF CONTRACTING OFFICER (APR 1984)

The contracting officer reserves the right to designate representatives to act for him/her in furnishing technical guidance and advice or generally supervise the work to be performed under this contract. Such designation will be in writing and will define the scope and limitation of the designee's authority. A copy of the designation shall be furnished the contractor.

852.270-4 COMMERCIAL ADVERTISING (NOV 1984)

The bidder or offeror agrees that if a contract is awarded to him/her, as a result of this solicitation, he/she will not advertise the award of the contract in his/her commercial advertising in such a manner as to state or imply that the Department of Veterans Affairs endorses a product, project or commercial line of endeavor.

AS12 RESTRICTION ON DISCLOSURE AND USE OF DATA (FEB 1998)

Offerors or quoters who include in their proposals or quotations data that they do not want disclosed to the public for any purpose or used by the Government except for evaluation purposes, shall--

- (a) Mark the title page with the following legend:

"This proposal or quotation includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed -- in whole or in part -- for any purpose other than to evaluate this proposal or quotation. If, however, a contract is awarded to this offeror or quoter as a result of -- or in connection with -- the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets (insert numbers or other identification of sheets)", and

- (b) Mark each sheet of data it wishes to restrict with the following legend:

"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation."

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ADDENDA TO 52.212-4 Contract Terms and Conditions- Commercial Items (cont.)

AS1531 PAYMENT BY GOVERNMENTWIDE COMMERCIAL PURCHASE CARD (JULY 2000)

(a) Definitions. Government wide commercial purchase card means the uniquely numbered credit card issued by one of five contractors under GSA's SmartPay contracts, to named individual Government employees to pay for official Government purchases.

Oral task or delivery order means an order placed orally either in person or by telephone, which is paid for by Government commercial purchase card.

(b) At the option of the Government and if agreeable to the Contractor, payments of \$100,000 or less for oral or written delivery orders may be made using the Government commercial purchase card.

(c) The Contractor shall not process a transaction for payment through the purchase card clearinghouse until the purchased supplies have been shipped or services performed. Unless the cardholder requests correction or replacement of a defective or faulty item in accordance with other contract requirements, the Contractor shall immediately credit a cardholders account for items returned as defective or faulty.

AS 3000 SOFTWARE REQUIREMENTS (AUG 1998)

a. Software for operation of the system; image acquisition, manipulation, reconstruction, analysis, and display, and maintenance are to be provided. The software updates compatible with the offered system's hardware shall be kept current at no cost to the Government as long as the equipment is in use in the VA or other Government Agency health facility.

b. For the purpose of this clause, updates are defined as all modifications to correct or improve system operation and current functions. Upgrades defined as providing additional functions, will be made available for purchase.

c. Software revisions or modifications, which include both updates and upgrades, must be provided at a no cost. The contractor may restrict added functions if restriction does not limit existing functions.

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ADDENDA TO 52.212-4 Contract Terms and Conditions- Commercial Items (cont.)

AS 3002 COST RECOVERY FEE (AUG 1998)

The cost recovery fee is assessed against all purchases made by OGA participants only in the PPV program. The fee is .25% and shall be imbedded in the price of all products purchased by the OGA participants. The PPV shall make the appropriate provisions in the automated order system to include cost recovery fee in the "acquisition price" field which appears in all order-entry and confirmation modules. The PPV shall forward all fee monies collected, 60 days after the end of each calendar quarter (i.e. October – December, January – March, April – June, July – September) to: Agent Cashier, Department of Veterans Affairs, Service & Distribution Center, Fiscal Division (901A), P.O. Box 7005, Hines, IL 60141. A copy of a sales report shall be included with the remittance. The sales report shall show by total dollars, all sales made to the OGA accounts only and shall be itemized to show the site (station number) level. The remittance shall be made by check or money order, and made payable to "Department of Veterans Affairs". The contract number shall be identified on the check or money order. Attachment "A" provides a complete listing of all OGA participants that shall be assessed the cost recovery fee.

IHS AS 2003 IHS COST RECOVERY FEE (MAY 2003)

An additional cost recovery fee of 0.3% is assessed against all purchases under the PPV contract made by IHS and Indian tribes and tribal organizations (T/TOs) administering contracts or compacts under the Indian Self-Determination Act. The fee of 0.3% shall be imbedded in the price of all products so purchased. The fee shall support IHS related VA PPV contract management functions. The PPV shall make the appropriate provisions in the automated order system to include this IHS related VA PPV cost recovery fee in the "acquisition price" field which appears in all order-entry and confirmation modules. The PPV shall forward all fee monies collected, 60 days after the end of each calendar quarter (i.e., October - December, January - March, April - June, July - September) to: [IHS Financial Management Office]. A copy of a sales report, with the contract number identified, shall be included with the remittance. The sales report shall show by total dollars, all sales made to the IHS and T/TO accounts only and shall be itemized to show the site (station number) level. The remittance shall be made by electronic funds transfer to the "Indian Health Service." Attachment "A" provides a complete listing of all IHS and T/TO participants that shall be assessed the cost recovery fee will be furnished at the time of award.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART II**

Contract Terms and Conditions

ADDENDA TO 52.212-4 Contract Terms and Conditions- Commercial Items (cont.)

AS 3023 Diversion of Pharmaceutical Products (MAY 2002)

(1) Pharmaceutical products ordered under Federal Supply Schedule (FSS) contracts are intended solely for the use of authorized ordering activities in carrying out their Federal missions; they are not intended for resale or barter. Any transfer of FSS contract items that does not service the ordering activity's defined mission, as well as any transfer for the purpose of generating a profit on the difference between FSS prices and commercial prices (such as "AWP") is an improper diversion of Federal supplies.

(2) The Contractor may require an ordering activity that is not listed in the appendices to GSA Adm. Order 4800.2E (and its later versions) or a pharmaceutical prime vendor ordering on an activity's behalf to demonstrate its eligibility to place FSS orders. The Contractor may also require an authorized ordering activity to disclose the intended use of ordered pharmaceuticals before commencing delivery. The Contractor is not required to fill an FSS order (or that portion of an order) that investigational facts suggest will be diverted into the commercial market or will otherwise be diverted from usage by authorized FSS ordering activities. (An example of such facts might be the tripling of usual ordered quantities by an activity, coupled with its failure to demonstrate a corresponding increase in its institutional size or patient base.) However, the Contractor may not unreasonably delay filling an FSS order, pending the investigation of the intended use of the items ordered. Based on investigational facts that suggest that a pattern of diversion has occurred, a Contractor may elect not to fill indirect orders of an activity through an authorized Government Pharmaceutical Prime Vendor (PPV), and, instead, to accept only direct orders.

(3) If the Contractor refuses to fill an FSS order because of an expectation that some or all of the order will be diverted or refuses to continue accepting indirect orders because of a perceived pattern of diversion, Contractor must notify the Schedule Contracting Officer (CO) of its decision within 48 hours and state the basis for the refusal. The CO may instruct the Contractor to fill an executive-Agency-level order and/or resume acceptance of executive Agency indirect orders if the CO finds that there is no factual basis for the Contractor's decision. No authorized FSS ordering activity may be suspended from eligibility under the Schedule by a Contractor, except on written instruction of the Schedule CO issued after: a) full consideration of all evidence of diversion or other improper practices, and b) affording the ordering activity an opportunity to present its position on the claimed abuse of the Schedule. An ordering activity suspended by the Schedule CO may appeal that decision in writing to the VA Deputy Assistant Secretary for Acquisition and Materiel Management, within 30 calendar days of the CO's decision.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART III**

**52.215-5 Contract Terms and Conditions Required to Implement Statutes and
Executive orders**

**52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT
STATUTES OR EXECUTIVE ORDERS- COMMERCIAL ITEMS (APR 2003)**

(a) The Contractor shall comply with the following FAR clauses, which are incorporated in this contract by reference, to implement provisions of law or executive orders applicable to acquisitions of commercial items:

- (1) 52.222-3, Convict Labor (E.O. 11755).
- (2) 52.233-3, Protest after Award (31 U.S.C. 3553).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items or components:

- ☒ (1) 52.203-6, Restrictions on Subcontractor Sales to the Government, with Alternate I (41 U.S.C. 253g and 10 U.S.C. 2402).
- ☐ (2) 52.219-3, Notice of Total HUBZone Small Business Set-Aside (Jan 1999).
- ☒ (3) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Jan 1999) (if the offeror elects to waive the preference, it shall so indicate in its offer). ***NOT APPLICABLE TO OFFERS ON LINE ITEMS 6, 7 or 8.**
- ☐ (4)(i) 52.219-5, Very Small Business Set-Aside (Pub. L. 103-403, section 304, Small Business Reauthorization and Amendments Act of 1994).
- ☐ (ii) Alternate I to 52.219-5.
- ☐ (iii) Alternate II to 52.219-5.
- ☒ (5) 52.219-8, Utilization of Small Business Concerns (15 U.S.C. 637 (d)(2) and (3)).
- ☒ (6) 52.219-9, Small Business Subcontracting Plan (15 U.S.C. 637(d)(4)).
Note: This provision applies to proposals from large business concerns only. For the purpose of this procurement, a large business concern is defined as a concern consisting of over 500 employees, all affiliates included)
- ☐ (7) 52.219-14, Limitations on Subcontracting (15 U.S.C. 637(a)(14)).
- ☐ (8) (i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323)
- ☐ (ii) Alternate I of 52.219-23. (Note: **CLAUSE IS INCORPORATED IN FULL TEXT** and contains a fill-in on this 10% price Evaluation Adjustment)
- ☒ (9) 52.219-25, Small Disadvantaged Business Participation Program-Disadvantaged Status and Reporting (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323). ***NOT APPLICABLE TO OFFERS ON LINE ITEMS 6, 7 or 8.**
- ☐ (10) 52.219-26, Small Disadvantaged Business Participation Program-Incentive Subcontracting (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- ☒ (11) 52.222-21, Prohibition of Segregated Facilities (Feb 1999)
- ☒ (12) 52.222-26, Equal Opportunity (E.O. 11246).
- ☒ (13) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (38 U.S.C. 4212)

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART III**

**52.215-5 Contract Terms and Conditions Required to Implement Statutes and
Executive orders (cont.)**

**52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT
STATUTES OR EXECUTIVE ORDERS- (APR 2003) (cont.)**

- ☒ (14) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793).
- ☒ (15) 52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (38 U.S.C. 4212).
- ☒ (16) 52.222-19, Child Labor-Cooperation with Authorities and Remedies (E.O. 13126).
- ☐ (17)(i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Products (42 U.S.C. 6962(c)(3)(A)(ii)).
- ☐ (ii) Alternate I of 52.223-9 (42 U.S.C. 6962(i)(2)(C)).
- ☐ (18) 52.225-1, Buy American Act-Supplies (41 U.S.C. 10a - 10d).
- ☐ (19)(i) 52.225-3, Buy American Act-North American Free Trade Agreement-Israeli Trade Act (41 U.S.C. 10a - 10d, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note).
- ☐ (ii) Alternate I of 52.225-3.
- ☐ (iii) Alternate II of 52.225-3.
- ☒ (20) 52.225-5, Trade Agreements (19 U.S.C. 2501, *et seq.*, 19 U.S.C. 3301 note).
- ☒ (21) 52.225-13, Restriction on Certain Foreign Purchases (E.O. 12722, 12724, 13059, 13067, 13121, and 13129).
- ☐ (22) 52.225-15, Sanctioned European Union Country End Products (E.O. 12849).
- ☐ (23) 52.225-16, Sanctioned European Union Country Services (E.O. 12849).
- ☐ (24) 52.232-33, Payment by Electronic Funds Transfer-Central Contractor Registration (31 U.S.C. 3332).
- ☒ (25) 52.232-34, Payment by Electronic Funds Transfer-Other than Central Contractor Registration (31 U.S.C. 3332).
- ☒ (26) 52.232-36, Payment by Third Party (31 U.S.C. 3332).
- ☐ (27) 52.239-1, Privacy or Security Safeguards (5 U.S.C. 552a).
- ☐ (28)(i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (46 U.S.C. 1241).
- ☐ (ii) Alternate I of 52.247-64.

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, which the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or executive orders applicable to acquisitions of commercial items or components:

- ☐ (1) 52.222-41, Service Contract Act of 1965, As Amended (41 U.S.C. 351, *et seq.*).
- ☐ (2) 52.222-42, Statement of Equivalent Rates for Federal Hires (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).
- ☐ (3) 52.222-43, Fair Labor Standards Act and Service Contract Act-Price Adjustment (Multiple Year and Option Contracts) (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).
- ☐ (4) 52.222-44, Fair Labor Standards Act and Service Contract Act-Price Adjustment (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART III**

**52.215-5 Contract Terms and Conditions Required to Implement Statutes and
Executive orders (cont.)**

**52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT
STATUTES OR EXECUTIVE ORDERS- (APR 2003) (cont.)**

____ (5) 52.222-47, SCA Minimum Wages and Fringe Benefits Applicable to Successor Contract Pursuant to Predecessor Contractor Collective Bargaining Agreement (CBA) (41 U.S.C. 351, *et seq.*).

(d) *Comptroller General Examination of Record.* The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records-Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c) or (d) of this clause, the Contractor is not required to include any FAR clause, other than those listed below (and as may be required by an addenda to this paragraph to establish the reasonableness of prices under Part 15), in a subcontract for commercial items or commercial components-

(1) 52.222-26, Equal Opportunity (E.O. 11246);

(2) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (38 U.S.C. 4212);

(3) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793);

(4) 52.247-64, Preference for Privately-Owned U.S. Flag Commercial Vessels (46 U.S.C. Appx 1241 and 10 U.S.C. 2631) (flow down required in accordance with paragraph (d) of FAR clause 52.247-64); and

(5) 52.222-41, Service Contract Act of 1965, As Amended (41 U.S.C. 351, *et seq.*).

PHARMACEUTICAL PRIME VENDOR

SOLICITATION 797-PV-03-002

PART III

52.215-5 Contract Terms and Conditions Required to Implement Statutes and Executive orders (cont.)

52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS- (APR 2003) (cont.)

52.219-23 Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns. (NOT APPLICABLE TO OFFERS ON LINE ITEMS 6, 7 or 8.)

Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (May 2001)

(a) Definitions. As used in this clause-

"Small disadvantaged business concern" means an offeror that represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either-

- (1) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR part 124, subpart B; and
- (i) No material change in disadvantaged ownership and control has occurred since its certification;
- (ii) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and
- (iii) It is identified, on the date of its representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net).
- (2) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR part 124, subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted. In this case, in order to receive the benefit of a price evaluation adjustment, an offeror must receive certification as a small disadvantaged business concern by the Small Business Administration prior to contract award; or
- (3) Is a joint venture as defined in 13 CFR 124.1002(f).

"Historically black college or university" means an institution determined the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense (DoD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

"Minority institution" means an institution of higher education meeting the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C. 1067k, including a Hispanic-serving institution of higher education, as defined in Section 316(b)(1) of the Act (20 U.S.C. 1101a)).

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART III**

**52.215-5 Contract Terms and Conditions Required to Implement Statutes and
Executive orders (cont.)**

**52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT
STATUTES OR EXECUTIVE ORDERS- (APR 2003) (cont.)**

**52.219-23 Notice of Price Evaluation Adjustment for Small Disadvantaged
Business Concerns. (cont.)**

"United States" means the United States, its territories and possessions, the Commonwealth of Puerto Rico, the U.S. Trust Territory of the Pacific Islands, and the District of Columbia.

(b) Evaluation adjustment.

(1) The Contracting Officer will evaluate offers by adding a factor of 10% percent to the price of all offers, except-

(i) Offers from small disadvantaged business concerns that have not waived the adjustment;

(ii) An otherwise successful offer of eligible products under the Trade Agreements Act when the dollar threshold for application of the Act is equaled or exceeded (see section 25.402 of the Federal Acquisition Regulation (FAR));

(iii) An otherwise successful offer where application of the factor would be inconsistent with a Memorandum of Understanding or other international agreement with a foreign government;

(iv) For DoD, NASA, and Coast Guard acquisitions, an otherwise successful offer from a historically black college or university or minority institution; and

(v) For DoD acquisitions, an otherwise successful offer of qualifying country end products (see sections 225.000-70 and 252.225-7001 of the Defense FAR Supplement).

(2) The Contracting Officer will apply the factor to a line item or a group of line items on which award may be made. The Contracting Officer will apply other evaluation factors described in the solicitation before application of the factor. The factor may not be applied if using the adjustment would cause the contract award to be made at a price that exceeds the fair market price by more than the factor in paragraph (b)(1) of this clause.

(c) Waiver of evaluation adjustment. A small disadvantaged business concern may elect to waive the adjustment, in which case the factor will be added to its offer for evaluation purposes. The agreements in paragraph (d) of this clause do not apply to offers that waive the adjustment.

_____ Offeror elects to waive the adjustment.

Signature & Date_____

MUST RETURN THIS WAIVER WITH OFFER WHEN APPLICABLE

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART III**

**52.215-5 Contract Terms and Conditions Required to Implement Statutes and
Executive orders (cont.)**

**52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT
STATUTES OR EXECUTIVE ORDERS- (APR 2003) (cont.)**

**52.219-23 Notice of Price Evaluation Adjustment for Small Disadvantaged
Business Concerns. (cont.)**

(d) Agreements.

(1) A small disadvantaged business concern, that did not waive the adjustment, agrees that in performance of the contract, in the case of a contract for-

(i) Services, except construction, at least 50 percent of the cost of personnel for contract performance will be spent for employees of the concern;

(ii) Supplies (other than procurement from a nonmanufacturer of such supplies), at least 50 percent of the cost of manufacturing, excluding the cost of materials, will be performed by the concern;

(iii) General construction, at least 15 percent of the cost of the contract, excluding the cost of materials, will be performed by employees of the concern; or

(iv) Construction by special trade contractors, at least 25 percent of the cost of the contract, excluding the cost of materials, will be performed by employees of the concern.

(2) A small disadvantaged business concern submitting an offer in its own name agrees to furnish in performing this contract only end items manufactured or produced by small disadvantaged business concerns in the United States. This paragraph does not apply in connection with construction or service contracts.

Note: The 10% price evaluation adjustment factor, as described in paragraph (b) of this clause, will be applied as a percentage change to the price, and will not be merely added to the % fee offered; i.e., it will be applied to an applicable offeror's "Grand Total" as calculated for the relevant region. For example, if the offeror's proposed fee is -3% and the Grand Total for a region is calculated to be negative \$ 2 million, the adjusted price for evaluation purposes would be negative \$1.8 million.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART IV
Contract Documents, Exhibits or Attachments**

A	List of participating facilities and annual dollar Estimates
B	List of VA National Contracts for Pharmaceuticals
C	List of Federal Supply Schedule Contracts for 65IB
D	List of Federal Supply Schedule 65 Part VII (Invitro Diagnostics, Reagents, Test Kits and Sets)
E	List of Federal Supply Schedule Contracts For 65IIA, (Medical, Surgical and Veterinary Supplies & Equipment)
F	List of JWOD Basic Ordering Agreements for Medical-Surgical and Pharmaceutical Products
G	Veterans Health Administration National Drug Formulary
H	Past Performance Form (complete & return w/Offer)
I	Small Business, Small Disadvantaged Business and Small Woman-Owned Business Subcontracting Plan (complete & Return w/Offer)
J	SF 129 – Solicitation Mailing List Application (Complete & Return With Offer)
K	Federal Bureau of Prisons Contractor Pre-Employment Form
L	Fast Pay (PV program Alternate Payment Method) Information
M	IHS NSSC ADA Oklahoma Existing Computer System Specifications

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART V**

52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS (OCT 2000)

52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS (OCT 2000)

(a) North American Industry Classification System (NAICS) code and small business size standard. The NAICS code and small business size standard for this acquisition appear in Block 10 of the solicitation cover sheet (SF 1449). However, the small business size standard for a concern which submits an offer in its own name, but which proposes to furnish an item which it did not itself manufacture, is 500 employees.

(b) Submission of offers. (Tailored – See Addenda to this provision)

(c) Period for acceptance of offers. (Tailored) The offeror agrees to hold the prices in its offer firm for **210 calendar days** from the date specified for receipt of offers, unless another time period is specified in an addendum to the solicitation.

(d) Product samples. When required by the solicitation, product samples shall be submitted at or prior to the time specified for receipt of offers. Unless otherwise specified in this solicitation, these samples shall be submitted at no expense to the Government, and returned at the sender's request and expense, unless they are destroyed during preaward testing.

(e) Multiple offers. Offerors are encouraged to submit multiple offers presenting alternative terms and conditions or commercial items for satisfying the requirements of this solicitation. Each offer submitted will be evaluated separately.

(f) Late submissions, modifications, revisions, and withdrawals of offers.

(1) Offerors are responsible for submitting offers, and any modifications, revisions, or withdrawals, so as to reach the Government office designated in the solicitation by the time specified in the solicitation. If no time is specified in the solicitation, the time for receipt is 4:30 p.m., local time, for the designated Government office on the date that offers or revisions are due.

(2)(i) Any offer, modification, revision, or withdrawal of an offer received at the Government office designated in the solicitation after the exact time specified for receipt of offers is "late" and will not be considered unless it is received before award is made, the Contracting Officer determines that accepting the late offer would not unduly delay the acquisition; and-

(A) If it was transmitted through an electronic commerce method authorized by the solicitation, it was received at the initial point of entry to the Government infrastructure not later than 5:00 p.m. one working day prior to the date specified for receipt of offers; or

(B) There is acceptable evidence to establish that it was received at the Government installation designated for receipt of offers and was under the Government's control prior to the time set for receipt of offers; or

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART V
52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS (OCT 2000)
(cont.)**

52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS (OCT 2000) (cont.)

- (C) If this solicitation is a request for proposals, it was the only proposal received.
(ii) However, a late modification of an otherwise successful offer, that makes its terms more favorable to the Government, will be considered at any time it is received and may be accepted.

(3) Acceptable evidence to establish the time of receipt at the Government installation includes the time/date stamp of that installation on the offer wrapper, other documentary evidence of receipt maintained by the installation, or oral testimony or statements of Government personnel.

(4) If an emergency or unanticipated event interrupts normal Government processes so that offers cannot be received at the Government office designated for receipt of offers by the exact time specified in the solicitation, and urgent Government requirements preclude amendment of the solicitation or other notice of an extension of the closing date, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal Government processes resume.

(5) Offers may be withdrawn by written notice received at any time before the exact time set for receipt of offers. Oral offers in response to oral solicitations may be withdrawn orally. If the solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before the exact time set for receipt of offers, subject to the conditions specified in the solicitation concerning facsimile offers. An offer may be withdrawn in person by an offeror or its authorized representative if, before the exact time set for receipt of offers, the identity of the person requesting withdrawal is established and the person signs a receipt for the offer.

(g) Contract award (not applicable to Invitation for Bids). The Government intends to evaluate offers and award a contract without discussions with offerors. Therefore, the offeror's initial offer should contain the offeror's best terms from a price and technical standpoint. However, the Government reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary. The Government may reject any or all offers if such action is in the public interest; accept other than the lowest offer; and waive informalities and minor irregularities in offers received.

(h) Multiple awards. The Government may accept any item or group of items of an offer, unless the offeror qualifies the offer by specific limitations. Unless otherwise provided in the Schedule, offers may not be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit prices offered, unless the offeror specifies otherwise in the offer.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART V**

52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS (OCT 2000)

52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS (OCT 2000) (cont.)

(i) Availability of requirements documents cited in the solicitation.

- (1)(i) The GSA Index of Federal Specifications, Standards and Commercial Item Descriptions, FPMR Part 101-29, and copies of specifications, standards, and commercial item descriptions cited in this solicitation may be obtained for a fee by submitting a request to-

GSA Federal Supply Service Specifications Section

Suite 81000

470 East L' Enfant Plaza, SW

Telephone (202) 619-8925 Facsimile (202) 619-8978

- (ii) If the General Services Administration, Department of Agriculture, or Department of Veterans Affairs issued this solicitation, a single copy of specifications, standards, and commercial item descriptions cited in this solicitation may be obtained free of charge by submitting a request to the addressee in paragraph (i)(1)(i) of this provision. Additional copies will be issued for a fee.

- (2) The DoD Index of Specifications and Standards (DoDISS) and documents listed in it may be obtained from the-

Department of Defense Single Stock Point (DoDDSSP)

Building 4, Section D

700 Robbins Avenue

Philadelphia, PA 19111-5094

Telephone: (215) 697-2667/2179 Facsimile (215) 697-1462

- (i) Automatic distribution may be obtained on a subscription basis.
(ii) Order forms, pricing information, and customer support information may be obtained-
(A) By telephone at (215) 697-2667/2179; or
(B) Through the DoDSSP Internet site at <http://assist.daps.mil>.

- (3) Nongovernment (voluntary) standards must be obtained from the organization responsible for their preparation, publication, or maintenance.

(j) *Data Universal Numbering System (DUNS) Number.* (Applies to offers exceeding \$25,000.) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" followed by the DUNS number that identifies the offeror's name and address. If the offeror does not have a DUNS number, it should contact Dun and Bradstreet to obtain one at no charge. An offeror within the United States may call 1-800-333-0505. The offeror may obtain more information regarding the DUNS number, including locations of local Dun and Bradstreet Information Services offices for offerors located outside the United States, from the Internet home page at <http://www.customerservice@dnb.com>. If an offeror is unable to locate a local service center, it may send an e-mail to Dun and Bradstreet at globalinfo@mail.dnb.com.

**PHARMACEUTICAL PRIME VENDOR
SOLICITATION 797-PV-03-002
PART V
ADDENDA to 52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS
(OCT 2000)**

ADDENDA TO 52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS (OCT 2000) (cont.)

NOTES TO OFFERORS:

- ❖ **Sealed offers/proposals will be received at the address specified in Block 9, or if hand carried, to the depository (Security Desk) located in Block 16, no later than 4:30pm, Central time, July 31, 2003. Changes and revisions to any part of this solicitation by the offeror are prohibited.**

- 1. Although all offerors are encouraged to provide a proposal/offer on each Region listed in the solicitation, the Government intends to evaluate the offers and make any resultant award(s) using a cascade evaluation method as follows:
 - ❖ Proposal Line Items #1 - 5 and 9 –14 **Full and Open Competition.** The Government will consider for award, offers from all responsible business concerns, which provides a competitive offer in accordance with this solicitation, whose offers meet the solicitation requirements in terms of price and the non-price evaluation factors disclosed in the solicitation. Award(s) for each of these proposal lines will be made on an unrestricted basis to the offeror who's offer provides the best expected value to the Government.
 - ❖ Proposal Line Items #6-8 – Pursuant to FAR Part 19, this portion of the solicitation has been **set-aside** for the exclusive participation of small business concerns, provided that a minimum of two competitive offers, in accordance with this solicitation, have been received from small business concerns whose offers meet the solicitation requirements. If two offers from qualified small business concerns are not received, or the contracting officer determines that no offer submitted by a small business concern is acceptable in terms of price and the non-price evaluation factors disclosed in the solicitation, the set-aside for the designated proposal line items will be withdrawn, and the award(s) for the designated proposal line items will be considered on a full and open basis. FAR 19.501(h) provides that a contract may not be awarded as a result of a small business set-aside if the cost to the awarding agency exceeds the fair market price. The VA contracting officer reserves the right to consider competitive proposals submitted from all responsible offerors (including large businesses) in determining the fair market price for the requirements of line items 6-8.

- 2. The Government warns offerors that taking exception to any term or condition cited within the solicitation (including submitting any alternate offer (proposal) that requires relaxation of a requirement) may make an offer unacceptable, and the offeror ineligible for award, unless the solicitation expressly authorizes such an exception with regard to that specific term or condition. The Government may consider any exception to any term or condition of the solicitation that is not expressly authorized by the solicitation to be a deficiency, as defined in FAR 15.001.

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NOTES(cont):

3. Notwithstanding its plan to award without discussions, the Government reserves the right to conduct discussions with offerors in a competitive range if necessary, and to permit such offerors to revise their proposals

4. Written or orally presented proposals that only repeat back portions of the requirements of this solicitation without affirmatively demonstrating the merits of the offerors' business and technical approach shall be excluded from the competitive range. Similarly, proposals that merely make a "blanket promise" to comply with the requirements of the solicitation shall also be excluded from the competitive range.

5. The oral presentation and the Government directed question and answer session are not part of the offer (proposal) and are not themselves offers. The oral presentation and the Government directed question and answer session will not constitute discussions, as defined by FAR 15.306, and will not obligate the Government to determine a competitive range, conduct discussions, or solicit or entertain revised final proposal revisions. Statements made by the offeror during the oral presentation or the Government directed question and answer session will not become a part of any contract resulting from this solicitation, unless the Government and an offeror agree to make it a part of an offer during discussions. If the Government decides to conduct discussions, the Government will not solicit or entertain supplemental oral presentations. Submission of videotapes or other forms of media containing the presentation for evaluation in lieu of oral presentations shall not be authorized and will be rejected.

Oral presentations shall not include price or fee.

6. Electronic proposals are prohibited.

7. **Due at the closing date of the solicitation**, each offeror shall submit the following Oral Presentation information and documentation along with its written proposal:

- (1) A list of names and position titles of all presenters (limited to 4).
- (2) **8** paper copies of the offeror's planned presentation, including copies of any transparencies or PowerPoint slides (if visual aids are used in the presentation)
- (3) and/or **8** copies of briefing materials that the offeror intends to use in the presentation.

The Oral presentation information shall be packaged separately from the rest of the offer and shall be clearly labeled with the offerors name and marked as ORAL PRESENTATION DOCUMENTATION.

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ADDENDA TO 52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS (OCT 2000) (cont.)

GENERAL INSTRUCTIONS- Each offeror must:

1. Submit an **original and the specified copies** of its written offer (proposal) as defined below by the closing date cited in this solicitation.

- When evaluating an offeror's capabilities to perform the prospective contract, the Government will consider how well the offeror complied with the instructions of this solicitation. Therefore, the VA National Acquisition Center encourages offerors to contact the **contracting officers** in order to request an explanation of any aspect of these instructions if necessary.
- The written offer (proposal) shall be prepared as a **Business Proposal and a Technical Proposal** and shall be addressed to the office specified in the solicitation.
 - **Note:** The Government is not seeking a lengthy written offer(proposal) explaining the "how" of implementing and accomplishing the requirements of the resultant contract(s). Rather, the offeror will be required to provide those details during their Oral Presentation.
- The offer (proposal) shall show the time specified for receipt, the solicitation number and the name and address of the offeror.
- Each of the required copies shall be submitted in separate envelopes and identified as the **original** or a **copy**.
- The following documents will constitute an offer which, if accepted by the Government, will become part of the contract:

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(OCT 2000) (cont.)**

GENERAL INSTRUCTIONS (Cont):

2. The offerors **original and TWO copies** of the **Business Proposal** shall consist of the following information:

- **Standard Form 1449**, with blocks 12, 17a, 17b, 30a, 30b and 30c completed by the offeror.
- Sections **I-31 Fee Schedule & I-32 Optional Equipment**, with the offeror's proposed prices/fees inserted in the appropriate blank spaces for those proposal lines which the offeror is proposing an offer on.
- The offerors completed **Representations and Certifications** required in **Part VII** of the solicitation.
- Solicitation Mailing List Application (**SF 129**). A properly completed and signed SF 129, Attachment "J."
- **Completed AS1108 & AS1502** "Contact For Contract Administration and Contract Pricing, found in Part V.
- **Completed AS1526** "Authorized Negotiators", found in Part V.
- **Present and Past Performance** Information as required on Attachment "H, for **ALL** of offeror's completed and current contracts for the past five years.
 - Complete a separate "Attachment H" for each completed and current contract for the past five years.
- **Financial Information**. The offeror's Certified Income Statement for the last two fiscal years.
- **Subcontracting Plan** - A properly completed Subcontracting Plan (required of large businesses only). The format is provided as an attachment, "Attachment I".
- **SDB Waiver**- Submit signed waiver only where applicable, found in Part III, Clause 52.219-23

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GENERAL INSTRUCTIONS (Cont):
Business Proposal (cont).

▪ **Small Disadvantaged Business Participation-**

- This factor also applies to Small Disadvantage Business offerors that waived the Price Evaluation Adjustment listed in the solicitation.
- Offerors shall provide the targets, expressed as dollars and percentages of total contract value, for SDB participation in NAICS 424210. The targets should be stated for SDB participation by the prime contractor, including joint venture partners and teaming arrangements members; or a total target for SDB participation by subcontractors. Offerors shall specifically identify the SDB concerns and the complexity and variety of the work SDB concerns are to perform. SDB offerors that waive the SDB price evaluation adjustment shall provide with their offer a target for the work that they intend to perform as the prime contractor. Any targets will be incorporated into and become part of any resulting contract(s). Contractors with SDB participation targets shall be required to report SDB participation.

3. The offerors **original and SIX** copies of the **Technical Proposal** shall consist of the following information:

- **Implementation Plan-** The offeror's date and facility time-line matrix providing information addressing the requirements as specified in Section I- 3 Implementation Period.
 - The offeror shall offer the Implementation Plan as a chart, that illustrates the offerors implementation work schedule for covering the 90 day Implementation period.
 - **Note:** The Government is not seeking a lengthy written explanation of the "how" of implementing the requirements as specified in Section 1-3. Rather, the offeror will be required to provide those details during their Oral Presentation.
- **Training Schedule-** The offerors time-line matrix providing information addressing the requirements specified in Section I-8 Training.
 - The offeror shall provide the Training Schedule as a chart that illustrates when the offeror will accomplish the training all participating facilities within the timeframe specified in the solicitation.
 - **Note:** The Government is not seeking a lengthy written explanation of the "how" of implementing the requirements as specified in Section 1-8. Rather, the offeror will be required to provide those details during their Oral Presentation.

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GENERAL INSTRUCTIONS (Cont):
Technical Proposal (cont).

- **Distribution Center(s)**- Documentation (e.g. map, chart) showing location and geographic distribution coverage of offeror's existing Distribution Centers that will be used as the Primary and Alternate Distribution Centers for the regions that the offeror is submitting a proposal.
 - **Note:** The Government is not seeking a lengthy written explanation of the "how" of implementing the requirements to supply and provide adequate supplies to all customers in a proposed region via next day or next delivery day. Rather, the offeror will be required to provide those details during their Oral Presentation.
4. **Oral Presentations-** The offeror shall also be required to make an oral presentation to the Government's Evaluation Panel to demonstrate their understanding of the Government's requirements.
- The oral presentation is intended to provide the offeror the opportunity to discuss, describe, highlight and expand upon the information submitted as part of their written proposal and the requirements of this solicitation.
 - After the closing date of the solicitation, and upon notification by the NAC contracting officer, the offeror must make an oral presentation in person to the Government's evaluation panel and, if necessary, participate in a Government directed question and answer session.
 - **The oral presentation shall not include price or fee.**

Oral Presentation Rules:

a. Offeror Order of Presentation The order in which offerors will make their presentations will be determined by a drawing of lots by the contracting officer after receipt of proposals. Once notified of their scheduled presentation date and time, offerors shall complete their presentations on the scheduled date and time.

b. Time, Date and Location. The contracting officer will schedule the oral presentations and will notify each offeror in writing of the date, time and location of its oral presentation after the Government receives offers in response to the RFP. The oral presentations shall be made at the VA National Acquisition Center, Hines, Illinois. The Government reserves the right to reschedule an offeror's oral presentation at the discretion of the contracting officer. The room used for the Oral Presentations is an office type conference room equipped with tables, chairs, office lighting, and electrical outlets.

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**ADDENDA to 52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS
(OCT 2000) (cont.)**

4. ORAL Presentations

Oral Presentation Rules (cont):

c. Offeror Employee Participation. The presentation must be made by one or more of the personnel whom the offeror will employ to manage or supervise contract performance on a full time basis. A manager who will have full-time operational responsibility for contract performance must be present and, at a minimum, answer questions directed to him/her during the question and answer session, if needed. No more than **four** of the offeror's personnel will be allowed to be present for the oral presentation. Presenters shall be the offeror's actual key personnel who will perform or personally direct the work being described. **No other officers, employees, consultants, agents, or other representatives of the offeror may attend.**

d. Presentation Time Limits

- Oral presentations, **excluding** any Government directed, question and answer sessions (if applicable) will be limited to **two hours**.
- Offerors submitting a proposal as a joint venture or other teaming arrangement will have only one two-hour period to give their oral presentation.
- **The Contracting officer will strictly enforce this time limit.**
- The length of time spent on each of the solicitation sub factors listed will be left to the offeror's discretion.
- The **two-hour** time limit will start with the VA's direction to begin. (The NAC Contracting Officer will introduce the presenting firm to the Governments Review Panel).
- The filming of the presentation (by the Government) shall be immediately terminated at the completion of the two-hour time limit, unless the offeror completes its presentation prior to the expiration of the time limit.
- Following the oral presentation, there will be a recess of approximately one hour.
- After the recess, if needed, there may be a Government directed question and answer session. The question and answer session will also be videotaped by the Government.

e. Clarification of the Oral Presentation Points

- After completion of the oral presentation or allotted time limit, whichever occurs first, the Government may request clarification of any points addressed in the oral presentation or addressed in the offeror's written proposal, which are unclear and may ask for elaboration by the offeror on any point which was not adequately supported.
 - Any such interchange between the offeror and the Government will be for clarification purposes, and will not constitute discussions within the meaning of Federal

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**ADDENDA to 52.212-1 INSTRUCTIONS TO OFFERORS- COMMERCIAL ITEMS
(OCT 2000) (cont.)**

4. ORAL Presentations

Oral Presentation Rules (cont):

e. Clarification of the Oral Presentation Points (cont.)

Acquisition Regulation 15.306. The Government directed question and answer session will be in addition to the two-hour time limit. Answers to any questions will be considered by the evaluators in determining the offeror's scores.

Oral presentations shall not include price or fee.

f. Presentation Media---

(Must be submitted at time of submitting written proposal).

- If the offeror decides to use presentation media, the offeror must use black and white overhead transparencies or a black and white PowerPoint presentation to document key points of its presentation.
- If black and white overhead transparencies or a black and white PowerPoint presentation is used, the offeror must submit 8 paper copies of the transparencies or PowerPoint slides, as a separate package at the time of submitting their offer.
- Animations are prohibited.
- Offerors may use colors other than black and white on graphical slides (e.g., bar charts or pie charts, etc.) when color is useful in conveying information.
- The government will only provide one overhead projector, a wall screen, a flip chart pad, and marker pens for the offeror's use during the oral presentation. The offeror is required to supply their own laptop computer if needed for a power point presentation.
- The offeror should mark transparencies or PowerPoint sheets, in accordance with Clause, "AS12 Restrictions on Disclosure and Use of Data", as appropriate.
- There is no limitation on the number of transparencies or power point sheets that an offeror may use. However, the Government will not consider the transparencies or PowerPoint slides to be stand alone documents or evaluate that information except when used as visual aids to the presentation.

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4. ORAL Presentations

Oral Presentation Rules (cont.):

f. Presentation Media--- (cont.)

- When reviewing and evaluating the oral presentations and written information requested, the Government will not review any transparencies or PowerPoint slides that was not projected and addressed during the presentation.
- What the presenters say will take precedence over the information which appears on the transparencies or PowerPoint slides.
- The production and use of an excessive number of transparencies and PowerPoint slides may be detrimental to an offeror's presentation.
- **Offerors will not be allowed to change their presentation media and information, after the closing date of the solicitation.**
 - **The purpose of this restriction is to reassure offerors with regard to the integrity of the oral presentation process, and to ensure that all offerors had equal amount of time to prepare the substance of their presentation, whether they are the first to present or the last to present.**

g. Videotaping

- The Government will videotape the presentation at the VA National Acquisition Center, Bldg. 37, 1st Avenue, One Block North of Cermak Road, Hines, Illinois.
- Offerors are prohibited from taping or recording their own presentation.
- The Government will provide the offeror with a copy of the videotape of its own presentation at its request and at its own expense after contract award.

Oral presentations shall not include price or fee.

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4. ORAL Presentations

h. Oral Presentation Content:

The offeror's presenters must demonstrate the offeror's understanding of the work that will be required under the prospective contract by addressing the following topics, in the order in which they are listed, in accordance with the following instructions:

- (1) **Introduction.** The presentation shall begin with the presenter's introduction of the company, the presenters and their positions, and a brief description of their company.
- (2) **Scope of Work.** An offeror's oral presentation must address the scope of work in the solicitation in the performance of the functions listed below:

TECHNICAL APPROACH: Consisting of the following functions and sub-functions:

▪ **Implementation Plan of Prime Vendor Program-**

Discuss and expand upon the written information provided in your offer regarding the following elements:

- Your approach for the simultaneous **implementation of the program** within the 90 day time-frame for all facilities located within the offered region(s).
 - Availability and installation of contractor-furnished hardware and software.
 - Discuss how the training of all participating facilities within the timeframe specified in the solicitation will be accomplished.
 - Location, type and length of training to be provided.
 - Your approach to be used for obtaining product usage data from participating facilities.
 - Discuss any additional elements of your implementation plan.

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4. ORAL Presentations

h. Oral Presentation Content (cont):

(2) Scope of Work (cont):

Distribution and Logistics Management.- Discuss the following elements:

Product Availability/ Fill Rate. Describe:

- The breadth and depth of products carried in and distributed from, your established inventory.
- Your manufacturer agreements, and your plans to expand your product base for products not currently carried in inventory.
- Your approach to meet the required fill-rates;
- Your procedures to accept "reservation orders"
- Your procedures/controls for identification and correction of performance deficiencies such as short shipments, late deliveries, PPV "out of stocks" etc.
- Your plan for resolving back orders and for providing advance information to customers of MBOs.;

Next-Day Delivery. Describe:

- Your approach to achieve next day or next scheduled delivery day delivery
- The roles of the distribution facilities you intend to use as primary and alternates, to ensure that the delivery requirements are met for all customers in each region offered.

• **Price Accuracy and Management Information Systems (MIS).**

Describe/Discuss:

- Your approach to ensure uniform and accurate product prices for all facilities within a region
- your procedures for electronically downloading the product pricing provided by the NAC
- your mechanism for keeping product prices updated; (6am loading, Public Law updates etc.)
- your web-based ordering systems;
- your procedures for handling price discrepancies.
- your order process procedures.
- your Electronic Ordering System and software operating capabilities
 - the split screen procedures under your Electronic Ordering System

• **Your Contingency Plan for Disaster Recovery established to protect the Government from a disruption of the solicitations " requirements".**

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Must submit as completed page within Business Proposal.

52.216-1 TYPE OF CONTRACT (APR 1984)

The Government contemplates award of Indefinite Delivery, Requirements contracts resulting from this solicitation.

AS1108 CONTACT FOR CONTRACT ADMINISTRATION (MAY 1992)

Offerors are requested to designate a person to be contacted for prompt contract administration.

NAME: _____

TITLE: _____

ADDRESS: _____ CITY/STATE/ZIP _____

TELEPHONE NO. _____ EXT. _____ FAX NO.: _____

E-MAIL: _____

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Must Submit as completed page within Business Proposal

AS1502 CONTACT FOR CONTRACT PRICING (AUG 1998)

Offerors are also requested to designate a person(s) responsible for ensuring product pricing.

NAME: _____

TITLE: _____

ADDRESS: _____

CITY/STATE: _____

ZIP CODE: _____

TELEPHONE NO: _____ EXT: _____

FAX NO: _____

E-MAIL: _____

AS1526 AUTHORIZED NEGOTIATORS (JAN 1998)

The offeror or quoter represents that the following persons are authorized to negotiate on its behalf with the Government in connection with this request for proposals or quotations: (list names, titles, and telephone numbers of the authorized negotiators)

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52.214-34 SUBMISSION OF OFFERS IN THE ENGLISH LANGUAGE (APR 1991)

Offers submitted in response to this solicitation shall be in the English language. Offers received in other than English shall be rejected.

52.214-35 SUBMISSION OF OFFERS IN U.S. CURRENCY (APR 1991)

Offers submitted in response to this solicitation shall be in terms of U.S. dollars. Offers received in other than U.S. dollars shall be rejected.

**52.222-24 PREAWARD ON-SITE EQUAL OPPORTUNITY COMPLIANCE EVALUATION
(FEB 1999)**

If a contract in the amount of \$10 million or more will result from this solicitation, the prospective Contractor and its known first-tier subcontractors with anticipated subcontracts of \$10 million or more shall be subject to a preaward compliance evaluation by the Office of Federal Contract Compliance Programs (OFCCP), unless, within the preceding 24 months, OFCCP has conducted an evaluation and found the prospective Contractor and subcontractors to be in compliance with Executive Order 11246.

52.233-2 SERVICE OF PROTEST (AUG 1996)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from

VA National Acquisition Center
Prime Vendor Distribution & Direct Delivery Division (049A1N2PV)
1st Avenue, One Block North of Cermak Road, Bldg. 37
P.O. Box 76
Hines, IL 60141

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

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(OCT 2000) (cont.)**

852.233-70 PROTEST CONTENT (JAN 1998)

(a) Any protest filed by an interested party shall:

- (1) Include the name, address, fax number, and telephone number of the protester;
- (2) Identify the solicitation and/or contract number;
- (3) Include an original signed by the protester or the protester's representative, and at least one copy;
- (4) Set forth a detailed statement of the legal and factual grounds of the protest, including a description of resulting prejudice to the protester, and provide copies of relevant documents;
- (5) Specifically request a ruling of the individual upon whom the protest is served;
- (6) State the form of relief requested; and
- (7) Provide all information establishing the timeliness of the protest.

(b) Failure to comply with the above may result in dismissal of the protest without further consideration.

852.233-71 ALTERNATE PROTEST PROCEDURE (JAN 1998)

As an alternative to filing a protest with the contracting officer, an interested party may file a protest with the Deputy Assistant Secretary for Acquisition and Materiel Management, Acquisition Administration Team, Department of Veterans Affairs, 810 Vermont Avenue, NW, Washington, DC, 20420, or, for solicitations issued by the Office of Facilities Management, the Chief Facilities Management Officer, Office of Facilities Management, 810 Vermont Avenue, NW, Washington, DC 20420. The protest will not be considered if the interested party has a protest on the same or similar issues pending with the contracting officer.

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PART VI
EVALUATION FACTORS**

52.212-2 EVALUATION- COMMERCIAL ITEMS (JAN 1999)

a. The Government intends to award contract(s) to the responsible offeror(s) whose offer(s) conforming to the solicitation represent the best value to the Government, price and other non-price factors considered. Evaluation and award will be made on a regional or multiple regional basis whichever is in the best interest of the government. The evaluation factors and sub-factors that shall be used to evaluate offers are listed below in descending order of importance with the exception of Past/Current Performance and Technical Approach which are equal to each other. The evaluation factor Price is of equal importance to the combination of Past/Current Performance and Technical Approach. The SDB Participation evaluation factor is significantly less important than any other factor.

1. PRICE (Pricing proposal/offer)

2. PAST/CURRENT PERFORMANCE

3. TECHNICAL APPROACH

A) IMPLEMENTATION PLAN (Sub-factors are listed in descending order of importance)

- (1) Availability and Installation of Hardware and software equipment
- (2) Training Schedule and process
- (3) Plan for obtaining product usage from customers
- (4) 90 day complete conversion approach

B) DISTRIBUTION & LOGISTICS MANAGEMENT – (Sub-factors are listed in descending order of importance)

- (1) Product Availability/Fill Rate
- (2) Next-day Delivery
Primary & Alternate Distribution Centers
- (3) Price Accuracy and Management Information Systems (MIS)
- (4) Contingency Plan for Disaster Recovery

4. SMALL DISADVANTAGE BUSINESS (SDB) Participation

b. Options. The Government will evaluate offers for award purposes by adding the total price for all options to the total price for the base period. The Government may determine that an offer is unacceptable if the option prices are significantly unbalanced. Evaluation of options shall not obligate the Government to exercise the option(s).

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PART VI
EVALUATION FACTORS (cont.)**

52.212-2 EVALUATION- COMMERCIAL ITEMS (JAN 1999) (cont.)

- c. A written notice of award or acceptance of an offer, mailed or otherwise furnished to the successful offeror(s) within the time for acceptance specified in the offer, shall result in a binding contract without further action by either party. Before the offers specified expiration time, the Government may accept an offer (or part of an offer), whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award.
- d. The Contracting Officer may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals.

EVALUATION OF PRICING PROPOSALS/OFFERS

Price will be evaluated based on offered distribution fee without regard to offered prices for optional equipment which may be required (see I-31 & I-32). The lowest estimated cost per region shall be evaluated as the lowest price to the Government for that individual region. However, VA will take into consideration alternate multi-region offers as detailed below.

Within each region, proposals which do not offer one distribution fee covering both pharmaceutical and medical/surgical (P&MS) items as cited within the solicitation, will not be considered for award. Separate fees may be offered for the Net 15 and Fast Pay accounts.

The Seven (7) current CMOP facilities, the HHS/SSC, Perry Point, MD and the NAC accounts at Hines Illinois, will be evaluated as one region (one proposal line item). VA will not consider any alternate offer which combines an offer for any single region or combination of other regions with only a portion of the CMOPs, the HHS/SSC and NAC account region requirements

Alternate offers, such as offering a lower fee if awarded more than one region, will only be considered if offers for each individual region offered, has been submitted.

The price evaluation will be based on the overall cost to the Government after considering possible combinations of individual region offers and alternate offers for multiple-region proposals.

VA recognizes that accepting a multi-region offer may entail some regions paying higher or lower prices than accepting individual offers on a region. VA will determine the overall best value for the Government as a whole for price analysis purposes by considering multi-region offers versus individual offers pricing. The overall best price to the Government as a whole will be determined irrespective of whether multi-regions or individual region(s) are awarded

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PART VI
EVALUATION FACTORS (cont.)**

52.212-2 EVALUATION- COMMERCIAL ITEMS (JAN 1999) (cont.)

PAST/CURRENT PERFORMANCE

Past performance is a measure of the degree to which an offeror satisfied its customers in the past and present, and is an indicator of an offeror's ability to perform the contract successfully. Evaluation of Past/Current Performance will be a subjective assessment based on consideration of all relevant facts and circumstances. The Government may use information from its own files, from information provided by the offeror on Attachment H, or from any other source it deems appropriate. The Government may contact references other than those identified by the offeror and the information received will be used in the evaluation of offeror's past/current performance. The Government will determine whether the offeror has consistently demonstrated adherence to contract terms and conditions and a commitment to customer service; support of socio-economic programs; timeliness of standard and emergency deliveries; servicing of contractor-owned equipment (maintenance and repair); quality of product provided; quality of contract related service performed; accuracy of reports; timeliness, accuracy, and completeness of invoicing and credits; accuracy and timeliness of contract and product database and changes thereto; adherence to fill rate requirements; business like concern for customers' interests; and reasonable and cooperative behavior. The Government will evaluate the offeror's experience based on the variety and size of offeror's contracts, complexity, relevancy and currency of experience in accomplishing efforts similar to those described by this solicitation.

TECHNICAL APPROACH

Technical approach will be evaluated in accordance with the language in FAR 52.212-2. The subfactor Implementation Plan will be evaluated by considering the offeror's written implementation plan including the written training schedule and the offeror's oral presentation. The subfactor DISTRIBUTION & LOGISTICS MANAGEMENT will be evaluated through the offeror's oral presentation supplemented by the written documentation of the offeror's distribution centers. If proposal revisions are requested as a result of discussions, any such revisions shall be in writing and will be evaluated under the appropriate factor they are relevant to.

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PART VI
EVALUATION FACTORS (cont.)**

52.212-2 EVALUATION- COMMERCIAL ITEMS (JAN 1999) (cont.)

EVALUATION OF SMALL DISADVANTAGE BUSINESS (SDB) PARTICIPATION

- Notes: 1. This factor applies to all line items, with the exception of those set-aside for small business concerns.
2. Credit under this factor is not available to an SDB concern unless the SDB concern specifically waives the price SDB price evaluation adjustment. (See 52.219-23)

The Government will evaluate the extent of participation of small disadvantage business concerns; the extent to which SDB concerns are specifically identified and the complexity and variety of the work SDB concerns are to perform. The extent of participation of SDB concerns will be evaluated in relationship to the terms of the value of the total acquisition.

SDB's that waive the price evaluation adjustment shall specify the extent of the work expected to be performed by the SDB concern at the prime contract level.

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PART VII

**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL
ITEMS (JUL 2002)**

**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL ITEMS
(JUL 2002)**

(a) **Definitions.** As used in this provision:

"Emerging small business" means a small business concern whose size is no greater than 50 percent of the numerical size standard for the NAICS code designated.

"Forced or indentured child labor" means all work or service-

(1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

"Service-disabled veteran-owned small business concern"-

(1) Means a small business concern-

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and size standards in this solicitation.

"Veteran-owned small business concern" means a small business concern-

(1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned business concern" means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

"Women-owned small business concern" means a small business concern-

(1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL
ITEMS (JUL 2002) (cont.)**

**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL ITEMS
(JUL 2002) (cont.)**

(b) *Taxpayer Identification Number (TIN)* (26 U.S.C. 6109, 31 U.S.C. 7701). (Not applicable if the offeror is required to provide this information to a central contractor registration database to be eligible for award.)

(1) All offerors must submit the information required in paragraphs (b)(3) through (b)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(3) *Taxpayer Identification Number (TIN).*

_____ TIN: _____.

_____ TIN has been applied for.

_____ TIN is not required because:

_____ Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

_____ Offeror is an Agency or instrumentality of a foreign government;

_____ Offeror is an Agency or instrumentality of the Federal Government.

(4) *Type of organization.*

_____ Sole proprietorship;

_____ Partnership;

_____ Corporate entity (not tax-exempt);

_____ Corporate entity (tax-exempt);

_____ Government entity (Federal, State, or local);

_____ Foreign government;

_____ International organization per 26 CFR 1.6049-4;

_____ Other _____.

(5) *Common parent.*

_____ Offeror is not owned or controlled by a common parent;

_____ Name and TIN of common parent:

Name _____.

TIN _____.

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PART VII

**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL
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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL ITEMS
(JUL 2002) (cont.)**

(c) Offerors must complete the following representations when the resulting contract is to be performed inside the United States, its territories or possessions, Puerto Rico, the Trust Territory of the Pacific Islands, or the District of Columbia. Check all that apply.

(1) **Small business concern.** The offeror represents as part of its offer that it _____ is, _____ is not a small business concern.

(2) **Veteran-owned small business concern.** [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents as part of its offer that it _____ is, _____ is not a veteran-owned small business concern.

(3) **Service-disabled veteran-owned small business concern.** [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (c)(2) of this provision.] The offeror represents as part of its offer that it _____ is, _____ is not a service-disabled veteran-owned small business concern.

(4) **Small disadvantaged business concern.** [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, for general statistical purposes, that it _____ is, _____ is not a small disadvantaged business concern as defined in 13 CFR 124.1002.

(5) **Women-owned small business concern.** [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it _____ is, _____ is not a women-owned small business concern.

Note: Complete paragraphs (c)(6) and (c)(7) only if this solicitation is expected to exceed the simplified acquisition threshold.

(6) **Women-owned business concern (other than small business concern).** [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it _____ is a women-owned business concern.

(7) **Tie bid priority for labor surplus area concerns.** If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

_____.

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PART VII

**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL
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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL ITEMS
(JUL 2002) (cont.)**

(8) Small Business Size for the Small Business Competitiveness Demonstration Program and for the Targeted Industry Categories under the Small Business Competitiveness Demonstration Program.

[Complete only if the offeror has represented itself to be a small business concern under the size standards for this solicitation.]

(i) *[Complete only for solicitations indicated in an addendum as being set-aside for emerging small businesses in one of the four designated industry groups (DIGs).]* The offeror represents as part of its offer that it _____ is, _____ is not an emerging small business.

(ii) *[Complete only for solicitations indicated in an addendum as being for one of the targeted industry categories (TICs) or four designated industry groups (DIGs).]* Offeror represents as follows:

(A) Offeror's number of employees for the past 12 months (check the Employees column if size standard stated in the solicitation is expressed in terms of number of employees); or

(B) Offeror's average annual gross revenue for the last 3 fiscal years (check the Average Annual Gross Number of Revenues column if size standard stated in the solicitation is expressed in terms of annual receipts).

(Check one of the following):

Number of Employees	Average Annual Gross Revenues
<input type="checkbox"/> 50 or fewer	<input type="checkbox"/> \$1 million or less
<input type="checkbox"/> 51-100	<input type="checkbox"/> \$1,000,001-\$2 million
<input type="checkbox"/> 101-250	<input type="checkbox"/> \$2,000,001-\$3.5 million
<input type="checkbox"/> 251-500	<input type="checkbox"/> \$3,500,001-\$5 million
<input type="checkbox"/> 501-750	<input type="checkbox"/> \$5,000,001-\$10 million
<input type="checkbox"/> 751-1,000	<input type="checkbox"/> \$10,000,001-\$17 million
<input type="checkbox"/> Over 1,000	<input type="checkbox"/> Over \$17 million

(9) *[Complete only if the solicitation contains the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns, or FAR 52.219-25, Small Disadvantaged Business Participation Program-Disadvantaged Status and Reporting, and the offeror desires a benefit based on its disadvantaged status.]*

(i) *General.* The offeror represents that either-

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PART VII

**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL
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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL ITEMS
(JUL 2002) (cont.)**

(A) It _____ is, _____ is not certified by the Small Business Administration as a small disadvantaged business concern and identified, on the date of this representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net), and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); or

(B) It _____ has, _____ has not submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(ii) _____ *Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business Concerns*. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c)(9)(i) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. *[The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture: _____.]*

(10) HUBZone small business concern. *[Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.]* The offeror represents, as part of its offer, that-

(i) It _____ is, _____ is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office, or HUBZone employee percentage has occurred since it was certified by the Small Business Administration in accordance with 13 CFR part 126; and

(ii) It _____ is, _____ is not a joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (c)(10)(i) of this provision is accurate for the HUBZone small business concern or concerns that are participating in the joint venture. *[The offeror shall enter the name or names of the HUBZone small business concern or concerns that are participating in the joint venture: _____.]* Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL
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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL ITEMS
(JUL 2002) (cont.)**

(d) Representations required to implement provisions of Executive Order 11246-

(1) Previous contracts and compliance. The offeror represents that-

(i) It _____ has, _____ has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; and

(ii) It _____ has, _____ has not filed all required compliance reports.

(2) Affirmative Action Compliance. The offeror represents that-

(i) It _____ has developed and has on file, _____ has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 CFR parts 60-1 and 60-2), or

(ii) It _____ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352). (Applies only if the contract is expected to exceed \$100,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract.

(f) Buy American Act Certificate. (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225-1, Buy American Act-Supplies, is included in this solicitation.)

(1) The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product as defined in the clause of this solicitation entitled "Buy American Act-Supplies" and that the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as

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(JUL 2002) (cont.)**

foreign end products those end products manufactured in the United States that do not qualify as domestic end products.

(2) Foreign End Products:

Line Item No.	Country of Origin

[List as necessary]

(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g)(1) Buy American Act-North American Free Trade Agreement-Israeli Trade Act Certificate. (Applies only if the clause at FAR 52.225-3, Buy American Act-North American Free Trade Agreement-Israeli Trade Act, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product as defined in the clause of this solicitation entitled "Buy American Act-North American Free Trade Agreement-Israeli Trade Act" and that the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States.

(ii) The offeror certifies that the following supplies are NAFTA country end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act-North American Free Trade Agreement-Israeli Trade Act":

NAFTA Country or Israeli End Products:

Line Item No.	Country of Origin

[List as necessary]

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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL
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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL ITEMS
(JUL 2002) (cont.)**

(iii) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) of this provision) as defined in the clause of this solicitation entitled "Buy American Act-North American Free Trade Agreement-Israeli Trade Act." The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products.

Other Foreign End Products:

Line Item No.	Country of Origin
_____	_____
_____	_____

[List as necessary]

(iv) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(2) Buy American Act-North American Free Trade Agreements-Israeli Trade Act Certificate, Alternate I (May 2002). If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American Act-North American Free Trade Agreement-Israeli Trade Act":

Canadian End Products:

Line Item No.

[List as necessary]

(3) Buy American Act-North American Free Trade Agreements-Israeli Trade Act Certificate, Alternate II (May 2002). If Alternate II to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL
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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL ITEMS
(JUL 2002) (cont.)**

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act-North American Free Trade Agreement-Israeli Trade Act":

Canadian or Israeli End Products:

Line Item No.	Country of Origin
_____	_____
_____	_____

[List as necessary]

(4) Trade Agreements Certificate. (Applies only if the clause at FAR 52.225-5, Trade Agreements, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(4)(ii) of this provision, is a U.S.-made, designated country, Caribbean Basin country, or NAFTA country end product, as defined in the clause of this solicitation entitled "Trade Agreements."

(ii) The offeror shall list as other end products those end products that are not U.S.-made, designated country, Caribbean Basin country, or NAFTA country end products.

Other End Products:

Line Item No.	Country of Origin
_____	_____
_____	_____
_____	_____

[List as necessary]

(iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25. For line items subject to the Trade Agreements Act, the Government will evaluate offers of U.S.-made, designated country, Caribbean Basin country, or NAFTA country end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S.-made, designated country, Caribbean Basin country, or NAFTA country end products unless the Contracting Officer determines that there are no offers for such products or that the offers for such products are insufficient to fulfill the requirements of the solicitation.

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**52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS- COMMERCIAL ITEMS
(JUL 2002) (cont.)**

(h) Certification Regarding Debarment, Suspension or Ineligibility for Award (*Executive Order 12549*).
(Applies only if the contract value is expected to exceed the simplified acquisition threshold.) The offeror certifies, to the best of its knowledge and belief, that the offeror and/or any of its principals-

(1) _____ Are, _____ are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal Agency; and

(2) _____ Have, _____ have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(3) _____ Are, _____ are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses.

(i) Certification Regarding Knowledge of Child Labor for Listed End Products (*Executive Order 13126*).

[The Contracting Officer must list in paragraph (i)(1) any end products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).]

(1) *Listed end products.*

Listed End Product	Listed Countries of Origin
_____	_____
_____	_____

(2) *Certification.* [If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.]

[] (i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.

[] (ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.